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SERVING THE TOTAL FOODSERVICE INDUSTRY

JULY 10, 1991

RESTAURANTS & INSTITUTIONS

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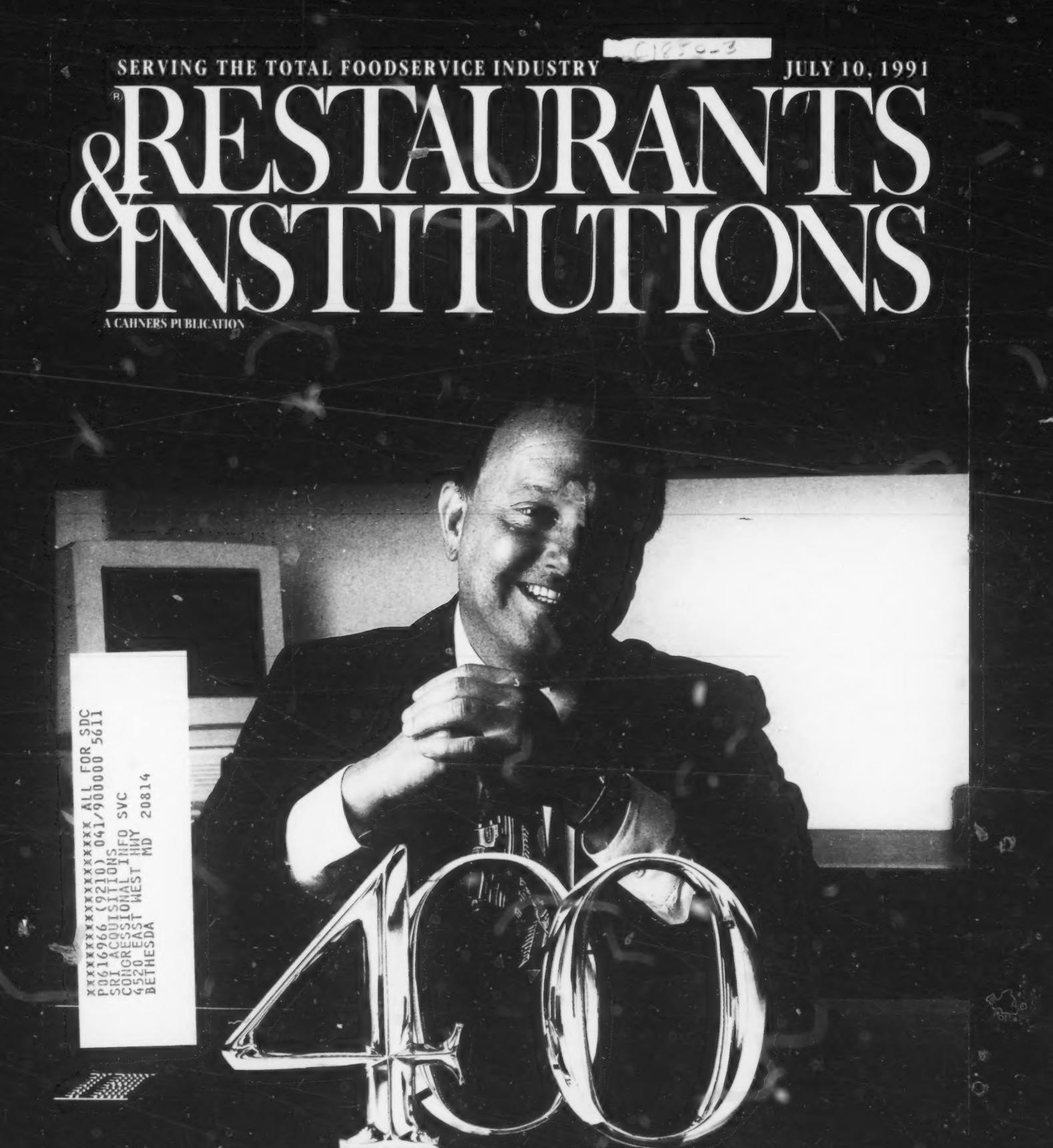

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PART I: FINANCIAL REPORT

R&I EXECUTIVE OF THE YEAR:
JOHN MARTIN, PRESIDENT AND CEO, TACO BELL

JULY 10, 1991

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PROFILE . . . 10
John Martin found a gold mine in a new Taco Bell concept—new products and popular prices.

18 R&I EXCLUSIVE: ANNUAL 400 FINANCIAL REPORT

With sales of $134 billion, nominal growth for the nation's top 400 foodservice organizations over the last year was 5.5%, only 0.1% higher than the total industry growth of 5.4%. Once the year's 4.7% inflation rate is subtracted, the group registers real growth of 0.8%.

But even though 1990 was far from a great year for the 400, 5.5% nominal growth translates into $7 billion more in sales in 1990 than in 1989. For some companies, especially those in the mid-scale and casual-theme segments, real growth continued in double-digit territory. How are America's biggest foodservice organizations coping with the mercurial marketplace of the '90s? *R&I*'s annual 400 Financial Report has the answers.

27 RANKING THE INDUSTRY GIANTS

This year's 400 report charts more statistical information in the ranking of the top foodservice companies. Ownership, average unit sales volumes and fiscal-year endings now accompany the sales, units and growth rates that are included in every annual 400 analysis.

83 CHAIN STRATEGIES TO WATCH THIS YEAR

Three pages of 400 Highlights, which follow the ranking of companies, summarize newsworthy activities of individual chains as well as prevalent corporate moves:

- Putting food products in new locations and serving them in ways the competition finds hard to match.
- Cutting costs and closing the gap between the corporate suite and the unit.
- Shuffling and discarding top management members to broaden the authority of regional and unit managers.
- Employing drive-thru-only facilities in fast-food units to pull through customer sales quickly.

10 ON THE COVER: JOHN MARTIN, THE BIG BURRITO OF BUSINESS

The Taco Bells are ringing in 3,200 units, where the price is right and earnings are growing for the popular PepsiCo subsidiary. The man who got the bells to ring up sales is *R&I*'s Executive of the Year, John Martin, Taco Bell president and CEO. Taco Bell was seriously out of tune when Martin took the helm in 1983. Now the chain leads the industry in value pricing . . . 59, 79, 99 uncommon sense.

JOHN MARTIN'S COMMON-SENSE MIRACLE

His operational fine-tuning and keen ear for customers' needs have fast-food chains everywhere humming the Taco Bell canon.

When country and western singer T. Graham Brown sat down at the piano to entertain Taco Bell's annual meeting last March, he shared the mike with a special guest star: John Martin, president and CEO of the 3,500-unit Mexican chain.

The crowd applauded, of course, but the most interesting reaction was Brown's. "He said he was glad to see that I could rock," Martin says. "He told me I wasn't just another damn suit."

No indeed. Among chain executives, Martin is hailed these days as a restaurant visionary, a trend-spotter and -setter who perceived consumers' growing price sensitivity early on and acted on that perception. Taco Bell broke its permanent value-pricing strategy in late '88 with a menu of tacos and other simple items at 49 cents. Last November, the company widened that tactic with a three-tiered structure of price points of 59, 79 and 99 cents covering almost the entire menu.

The results have electrified the industry. In the year right after the initial '88 rollout, Taco Bell's transactions increased 34%. Over the last two years, transactions are up 60%. Net systemwide sales at Taco Bell rose $280 million in 1990 to $1.7 billion; $255 million of that jump came from increased store volumes. And U.S. same-store average sales volumes grew 13% last year to $771,000—on top of a 16% increase in '89.

"It all sounds magical," Martin says. "But it wasn't magic. We didn't split the atom or discover a new planet. Everything was out

there in the market. All we did was get in tune with it by listening to the customer."

Taco Bell was seriously out of tune when Martin took the helm in 1983, five years after PepsiCo bought the chain. At that time, the company was "a small regional player with an inferiority complex," opening 75 stores a year and dedicated mainly to avoiding risk. The sole criterion for evaluating real estate was price; if a plot cost under $60,000, it was approved. The chain built small, cheap units to minimize losses if they failed and—convinced that no one would ever eat Mexican food in a car—built them right out to the right front corner of the lots so operators could not sneak in a drive-thru window.

Worst of all was Taco Bell's perception of itself. Management believed that consumers were afraid of or unfamiliar with Mexican food. The company considered itself a niche player dependent on customers looking for an occasional change from mainstream fast food. All marketing was directed at extending the chain's customer base. This made Taco Bell vulnerable not only to the dedicated Mexican concepts but to Jack In The Box, Chi-Chi's and anyone else featuring Mexican.

Martin didn't buy that notion of Mexican's limited appeal. "What's a burger? Ground beef, cheese, tomato, lettuce and sauce on a bun. Not very different from a taco." Customer *frequency*, not reach, was the problem.

Martin and his management team quickly set out to rebuild the chain's image, both among customers and within itself. The first order of business was to roll out some new products that had stalled in development. The previous administration had tested taco salads for two years but failed to find a way to produce the shells in quantity. Under Martin's direction, Taco Bell spent 30 days inventing a way to mass-produce the shells, then launched the item in four months and "kicked heck out of sales."

He also called for some quick-and-dirty consumer research to uncover Taco Bell's problems. These were many: The stores were dark, their colors uninviting, their signs not readable. The "sleepy sombrero" logo offended some and didn't say "fast food" to anyone. Servers wrote orders in grease pencil on a plastic board hung over the registers; when you gave your order, you got to look at someone's armpit.

The company also launched a more organized study of Americans' dining habits, and began looking at price points early on. Taco Bell's first value test, in 1984 in Oklahoma City, sold tacos for 39 cents. It was a hit with customers—but murder on profit margins. Martin began looking intently at costs.

At that time, each store fried its own shells, cooked its own ground beef and prepped its own beans and other side dishes. This time-honored "factory" system seemed wasteful and complex to Martin—"as absurd as putting a Pepsi syrup plant in every store."

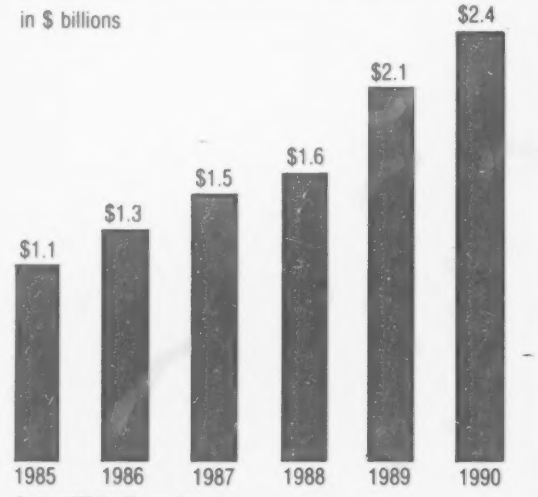
Today, ground beef comes through the back door precooked; tortillas are shipped fried; onions come chopped and beans ready to heat. Simplifying kitchen operations has saved labor, space and service time. The typical Taco Bell now can do $1,500 in sales in a peak hour—twice the capacity of five years ago. And the new 90-seat stores occupy the same square footage as the older 45-seat models.

Simplification is moving the chain from a manufacturing to a service model.

continued on page 14

SYSTEMWIDE SALES

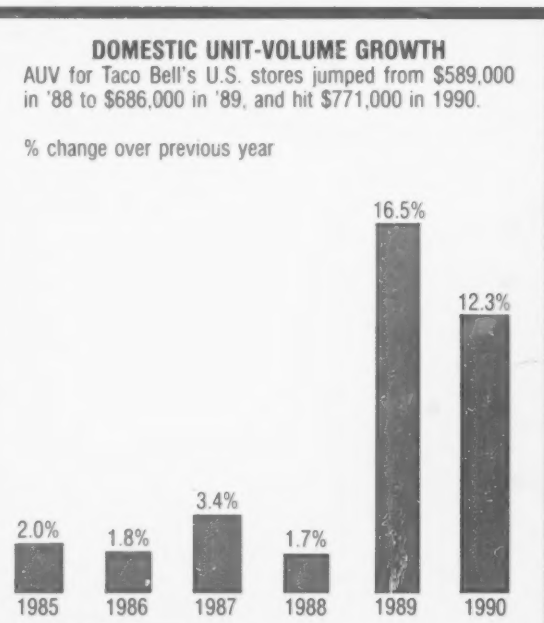
1990 sales at Taco Bell show the continuing power of the value menu, introduced in late '88 and expanded in '89.



Source: 1990 PepsiCo annual report

DOMESTIC UNIT-VOLUME GROWTH

AUV for Taco Bell's U.S. stores jumped from $589,000 in '88 to $686,000 in '89, and hit $771,000 in 1990.



Source: 1990 PepsiCo annual report

400: PROFILE

"We didn't split the atom or discover a new planet. All we did was listen to the customer."

continued from page 11

Somewhere in Connecticut, customers now eat tacos made from scratch with perfect consistency by a four-foot-square, coffee-table-high, computerized machine, at the rate of 1,200 wrapped tacos an hour. The machine is a taco factory in a box. Meat always comes out at exactly 165F, and cheese and lettuce at 40F to 43F. The shells are always intact; the finished product always weighs precisely 3¾ oz.; and the customer, Martin hopes, will always be satisfied.

"You can put seats around that box and call it a restaurant," Martin says. "Or you can put it in Dodger Stadium and have someone handing out the tacos. You can put it in a plant cafeteria, or a hospital, or in the galley of an airplane. But you don't have to get hung up on bricks and mortar."

The need to get away from fixed distribution channels also set the company looking for a good double-drive-thru chain, after twice failing to develop a workable system of its own. The company found what it wanted in Hot 'N Now, a 77-unit hamburger concept based in Kalamazoo, Mich. Before Hot 'N Now, Taco Bell had tried twice to come up with its own acceptable double-drive-thru design; now the chain owns blueprints to a system with superior customer contact and a 15-second service time at peak periods. "We're two years ahead of where we would have been without the Hot 'N Now buy," Martin says.

The fate of the existing Hot 'N Now burger units remains officially undecided at press time. But there's a strong chance Taco Bell may pick up the cape and step into the hamburger *corrida* to fight the bulls of the drive-thru burger segment—including the biggest bull of all, McDonald's.

But on its own, Taco Bell is giving McDonald's a run for its money. Customer frequency now is equal to that of the No. 1 burger chain, Martin says, and Taco Bell comes "darn close" to McDonald's traffic counts. Domestic company-store AUV, now about $900,000, is far below McDonald's $1.6 million company-store AUV. But as Martin points out, McDonald's sells breakfast, and Taco Bell does not—yet. The chain expects to roll its first breakfasts next year, and Martin says that could bring company-store volumes up to $1.2 million. Small wonder that McDonald's is preparing to mount a border raid this summer with chicken fajitas and breakfast burritos.

"Some friends blame me for ruining the fast-food business with the value thing," Martin says. "But I think Taco Bell has *saved* fast food by bringing it back to its roots. McDonald's did that to A&W and Howard Johnson 35 years ago, and someone was bound to do it to McDonald's. We did it early enough to give those who want to come along a chance to get back on track and be successful again."

—Brian Quinton

A QUESTION OF VALUES

Value pricing wasn't invented by Taco Bell, of course; White Castle has thrived on low-priced hamburgers for 70 years, and Wendy's Super Value menu has contributed to that chain's recent upturn.

But Taco Bell's phenomenal success has motivated even McDonald's to budge from its traditional no-price-cutting ways. Last November, the Oak Brook, Ill.-based giant rolled out a "Real Value Menu" of long-term price reductions on basic items such as plain hamburgers, breakfast sausage biscuits and small shakes. Franchisees in the hot Southern California market opted for even deeper price cuts across a broader menu. (Local Taco Bells responded by lopping another 20 cents off tacos.)

Other chains are defending their margins by limiting price cuts to combo meals or point-of-purchase specials. Carl's Jr.'s $1.79 burger also sells in a less garnished version for 99 cents. And Burger King is counting on special meal combos and its downsized Burger Buddy hamburger pair to catch a share of the cost-conscious market.

By shrinking kitchens and simplifying preparation, Martin is cutting overhead—and in the process, shifting Taco Bell from a manufacturing to a retail operation.

400: OVERVIEW

THE YEAR OF LIVING DANGEROUSLY

_R&I_'s 400 companies pull through a tough year to post $134 billion in sales—a 5.5% gain over 1989 results.

In a tough economic year that brought many dangerously close to the brink, *Restaurants & Institutions*' 400 companies once again proved they are the big engine that drives the industry. While the industry generated 1990 sales of $238 billion, *R&I*'s ranking of the 400 largest foodservice operators shows their sales accounted for 56% of that, or $133.9 billion.

Compared to the last year's 400, this year's companies posted total growth of $7 billion, or 5.5%. This puts the 400 slightly ahead of the total industry, which registered a 5.4% gain. A 23.3% drop on the part of the U.S. Department of Agriculture, which has a sales base of $2.2 billion, was the key number that prevented an even stronger showing by 400 companies.

Other organizations struggled as well. More than 100 companies reported negative sales numbers, while 29 saw no growth at all. This left 270 companies with positive numbers. All of the top 10 managed nominal growth, from a high of 19.8% by Pizza Hut to a 1.1% gain for Wendy's.

There also have been some changes to the top 10. Hardee's, on the strength of higher unit volumes and its '90 purchase of Roy Rogers, takes over the No. 5 position from Marriott Management Services, and becomes the third-place burger chain. ARA advances three notches, also passing Marriott.

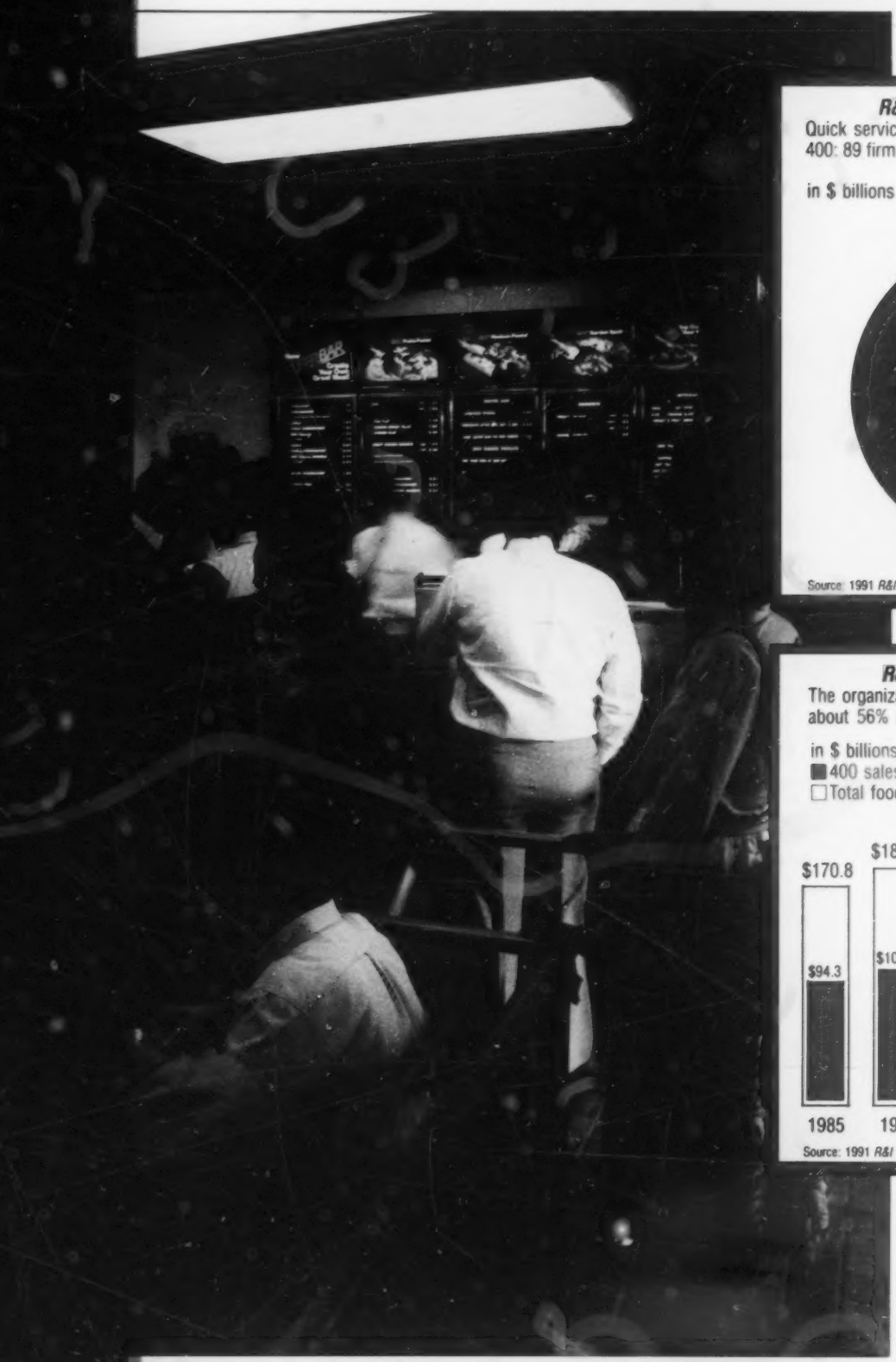
The PepsiCo restaurant companies, Pizza Hut, KFC and Taco Bell, make impressive gains and total $13 billion in sales. In addition, top-10 newcomer Taco Bell set an industry trend with its successful value menu.

Other big winners include Rally's, which expanded from 202 to 264 units and almost doubled sales from $102 to $176 million, Häagen-Dazs and Restaura. In many cases, as in Busch Entertainment's purchase of Sea World and related theme parks from HBJ, growth came through acquisition.

The cutoff for this year's ranking was $32 million, up from $29 million last year. Six companies tied at $32 million, including Arthur Treacher's and Sisters Chicken and Biscuits.

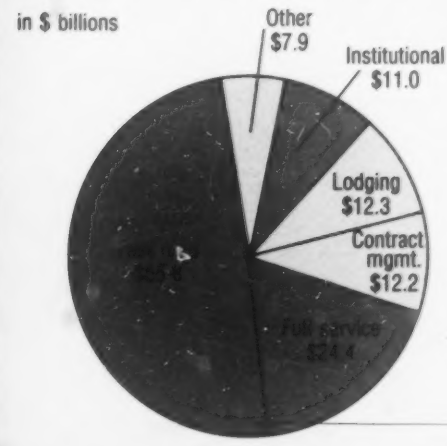
—Michael Bartlett

RESTAURANTS & INSTITUTIONS



R&I 400 SALES BY SEGMENT

Quick service is the best-represented segment in the 400: 89 firms account for $65.8 billion in sales volume.



Source: 1991 *R&I* 400

R&I 400 AND THE INDUSTRY

The organizations in the current *R&I* 400 ranking did about 56% of all foodservice business last year.

Source: 1991 *R&I* 400

400: RANKING

RULES OF THE RANKING

R&I presents its 27th annual ranking of the top 400 brand names in foodservice.

This year's *R&I* 400 ranking offers more statistical information than ever about the top foodservice players, in what we hope is a more readable and more useful format. Three pages of "Highlights," which follow the rankings, summarize individual companies' activities over the past year. This section takes the place of the comments that in the past have accompanied our ranking statistics.

SALES & UNITS

Sales and unit figures include all stores in a system—company-owned and franchised, domestic and foreign. Sales figures do not include licensing fees, royalties, or revenue from distribution or equipment divisions. Average unit sales volume (*AUV*) is based on sales of comparable units; *NA* means a figure was not applicable to that company, for instance, because it runs diverse operations. Sales totals are expressed in millions; AUVs, in thousands.

R&I does not list franchisees separately in the 400 since their sales and units are included in their franchisors' systemwide totals. Companies that merged or were acquired during 1990 are listed separately if they were independent for more than half the year.

Since institutions commonly sell food at a lower markup than commercial operators, *R&I* applies a multiplier of 2.8 to its F&B purchases to arrive at a commercial sales equivalent (indicated by † in the table). The 2.8 factor translates into a food cost of about 35.5%—midway between those of fast-food and full-service restaurants.

Where companies do not provide sales or do not break out figures for individual concepts, *R&I* editors estimate them. All figures marked with one asterisk (*) are *R&I* estimates. Figures followed by two asterisks (**) are estimates or projections by the companies themselves.

In cases where two or more companies supplied the same sales figures, actual numbers take priority over company estimates, which in turn precede *R&I* estimates. Companies still tied after these determinants are listed in alphabetical order.

Previous-year sales information is provided only for companies in the 400 last year. (Newcomers are indicated by a dash in the parentheses under present rank.)

FISCAL YEAR

Sales figures cover either calendar '90 or a fiscal year (*FY*) ending after June '90 and before July '91. To the extent possible, unit figures given are for the same time span as the sales data.

OWNERSHIP

As it has done for the last two years, the 400 ranking breaks out concepts individually instead of putting them under the umbrella of a parent company (*PC*). This allows the list to track the growth of "brand names" like Jack In The Box and Ruby Tuesday rather than simply report the aggregate results of all Foodmaker or Morrison concepts. Parent companies at press time are named in the table.

Publicly held companies are listed with the exchange on which their stock is traded: *NYSE* for the New York Stock Exchange; *AMEX*, American Stock Exchange; and *OTC*, over-the-counter NASDAQ market.

Privately held companies are so noted.

Government institutions such as school systems, state hospitals or prison systems, are indicated by a dash.

FOOTNOTES

The notation (A) indicates that a company's sales, units or rank cannot legitimately be compared to last year's figures—for example, when a multiconcept company reorganizes its divisions. The footnote (B) indicates that a company used a new method of reporting that makes comparison with last year's results invalid, such as a switch from a calendar to a fiscal year. The note (C) indicates that a company provided actual figures for company-owned stores and estimated franchised stores, while (R) indicates a revision in a figure published in last year's 400—usually because a company has replaced an estimate with exact figures.

—The Editors

400: RANKING

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
1 (1)	**McDonald's** Oak Brook, Ill.	FF hamburgers	18,758.9 (17,333.4)	8.2	11,803 (11,162)	5.7	1,560	12/90	Public/NYSE
2 (2)	**Burger King** Miami, Fla.	FF hamburgers	6,100.0 (5,700.0**)	7.0	6,200 (6,051)	2.5	1,000	10/90	PC: Grand Metropolitan PLC
3 (3)	**Kentucky Fried Chicken** Louisville, Ky.	FF chicken	5,773.0 (5,310.0)	8.7	8,187 (7,945)	3.0	604	12/90	PC: PepsiCo Inc.
4 (4)	**Pizza Hut** Wichita, Kan.	FF pizza	4,500.0 (4,090.5*)	19.8	8,040 (7,410)	8.5	700	12/90	PC: PepsiCo Inc.
5 (7)	**Hardee's** Rocky Mount, N.C.	FF hamburgers	3,158.1* (2,921.3*)	8.1	3,622* (3,231)	12.1	940	12/90	PC: Imasco Ltd.
6 (6)	**Wendy's International** Dublin, Ohio	FF hamburgers	3,070.3 (3,036.0)	1.1	3,727 (3,755)	−0.7	811	12/90	Public/NYSE
7 (10)	**ARA Services** Philadelphia, Pa.	Contract mgmt.	2,700.0 (2,500.0)	8.0	2,600 (2,600)	0.0	NA	12/90	Privately held
8 (9)	**Marriott Management Services** Washington, D.C.	Contract mgmt.	2,700.0 (2,500.0†*)	8.0	2,388 (2,390*)	−0.1	NA	12/90	PC: Marriott Corp.
9 (8)	**Domino's Pizza** Ann Arbor, Mich.	FF pizza	2,650.0 (2,500.0)	6.0	5,375 (5,220)	3.0	505	12/90	Privately held
10 (12)	**Taco Bell** Irvine, Calif.	FF Mexican	2,400.0 (2,129.5*)	12.7	3,273 (3,125)	4.7	771	12/90	PC: PepsiCo Inc.
11 (11)	**Dairy Queen** Bloomington, Minn.	FF sweets	2,316.3* (2,179.0)	6.3	5,207 (5,206)	0.0	NA	11/90	Public/OTC
12 (5)	**USDA Food & Nutrition Services** Washington, D.C.	Institutions	2,115.8† (2,757.9†)	−23.3	91,493 (91,493)	0.0	NA	12/90	—
13 (16)	**Red Lobster** Orlando, Fla.	FS seafood	1,600.0* (1,468.2*)	9.0	610* (563*)	8.3	NA	5/91	PC: General Mills
14 (13)	**Sheraton** Boston, Mass.	Lodging	1,600.0 (1,557.7)	2.7	1,500 (1,718)	−6.9	NA	12/90	PC: ITT Corp.
15 (12)	**Denny's** Spartanburg, S.C.	FS family dining	1,528.9 (1,405.3B)	8.8	1,358 (1,342)	1.2	1,140	12/90	PC: TW Services Inc.
16 (16)	**Arby's** Atlanta, Ga.	FF sandwiches	1,430.0 (1,300.0)	10.0	2,420 (2,247)	7.7	NA	12/90	PC: DWG Enterprises
17 (14)	**U.S. Army Center of Excellence, Subsistence**, Fort Lee, Va.	Military	1,429.0† (1,386.0†)	3.1	995* (936)	6.3	NA	9/90	—
18 (23)	**Little Caesars Pizza** Detroit, Mich.	FF pizza	1,400.0 (1,130.0)	23.9	3,173 (2,700)	17.5	NA	12/90	Privately held
19 (15)	**Canteen** Spartanburg, S.C.	Contract mgmt.	1,370.0 (1,369.9)	0.0	1,632 (1,972)	−17.2	NA	12/90	PC: TW Services Inc.
20 (17)	**Marriott Lodging Division** Washington, D.C.	Lodging	1,363.4* (1,284.0*)	6.2	766* (738*)	3.8	NA	12/90	PC: Marriott Corp.
21 (20)	**Caterair International** Potomac, Md.	Transportation	1,162.0† (900.0)	29.1	114 (100)	14.0	NA	12/90	Privately held
22 (22)	**Hilton Hotels** Beverly Hills, Calif.	Lodging	1,122.0 (1,094.0)	2.6	1,200 (1,213)	−1.1	NA	12/90	Public/NYSE
23 (25)	**Subway** Milford, Conn.	FF sandwiches	1,100.0 (800.0)	37.5	5,380 (4,091)	31.5	250	12/90	PC: Doctors Associates Inc.
24 (21)	**Service America** Stamford, Conn.	Contract mgmt.	1,100.0 (1,100.0)	0.0	1,650 (1,500)	10.0	NA	12/90	Privately held
25 (24)	**Big Boy** Warren, Mich.	FS family dining	1,000.0 (1,009.0)	−0.9	950 (924)	2.8	NA	12/90	PC: Elias Bros Restaurants Inc.

*R&I estimate, **company est., †commercial equiv., (A) no comparison with previous-year data possible, (B) adjusted reporting method, (R) revised

400: RANKING

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
26 (30)	**Shoney's Restaurants** Nashville, Tenn.	FS family dining	993.3 (896.0[B])	10.7	735 (680)	8.1	1,500	10/90	Public/NYSE
27 (25)	**U.S. Navy Food Service Systems** Washington, D.C.	Military	954.8† (904.4†)	5.6	680 (691)	−1.6	NA	9/90	—
28 (31)	**Jack In The Box** San Diego, Calif.	FF hamburgers	943.0 (833.9)	13.1	1,035 (986)	5.0	NA	12/90	PC: Foodmaker Inc.
29 (24)	**Sizzler Restaurants Intl.** Los Angeles, Calif.	FS steakhouses	916.7 (925.0**)	−0.9	662 (652**)	1.5	1,600	12/90	Public/OTC
30 (27)	**Dunkin' Donuts** Randolph, Mass.	FF sweets	913.0 (880.0)	3.8	1,747 (1,900)	−8.1	472	2/91	PC: Allied-Lyons PLC
31 (29)	**Hyatt Hotels** Chicago, Ill.	Lodging	912.8* (863.9*)	5.7	380* (350**)	8.6	NA	12/90	Privately held
32 (28)	**Holiday Inn Hotels** Atlanta, Ga.	Lodging	869.0* (869.0**)	0.0	2,700** (2,786**)	−3.1	NA	12/90	PC: Bass PLC
33 (33)	**Long John Silver's Seafood Shoppes** Lexington, Ky.	FF seafood	781.6** (783.1**)	−0.2	1,446 (1,490)	−3.0	539	6/91	PC: Jerrico Inc.
34 (*)	**Choice Hotels** Silver Spring, Md.	Lodging	750.0 (—)	—	998 (—)	—	NA	12/90	PC: Manor Care Inc.
35 (34)	**7-Eleven** Dallas, Texas	C-stores	731.7 (726.5**)	0.7	6,500 (7,000*)	−7.1	1,001	12/90	PC: The Southland Corp.
36 (34)	**Ponderosa** Dayton, Ohio	FS steakhouses	699.0 (779.0*)	−10.3	760 (735)	3.4	NA	12/90	PC: Metromedia Corp.
37 (36)	**Baskin-Robbins Ice Cream** Glendale, Calif.	FF sweets	671.1* (676.4*)	−0.8	3,318 (3,351)	−1.0	NA	12/90	PC: Allied-Lyons PLC
38 (38)	**Days Inns of America** Atlanta, Ga.	Lodging	661.9* (610.0)	8.5	1,112 (951)	16.9	NA	12/90	Privately held
39 (52)	**The Olive Garden** Orlando, Fla.	FS Italian	644.6* (466.2*)	38.3	270* (208*)	29.8	2,700	5/91	PC: General Mills
40 (37)	**Army & Air Force Exchange Service** Dallas, Texas	Military	636.7† (618.2†)	3.0	2,633 (2,173)	21.2	NA	12/90	—
41 (39)	**Morrison's Custom Management** Mobile, Ala.	Contract mgmt.	602.0 (580.0**)	3.8	693 (892)	−22.3	NA	5/91	Public/OTC
42 (45)	**Carl's Jr.** Anaheim, Calif.	FF hamburgers	578.4 (550.1[B])	5.2	578 (541)	7.9	1,100	1/91	Public/OTC
43 (44)	**Popeyes Famous Fried Chicken** Jefferson, La.	FF chicken	547.0 (525.0)	4.2	786 (739)	6.4	714	12/90	PC: A. Copeland Enterprises
44 (42)	**Westin Hotels and Resorts** Seattle, Wash.	Lodging	525.0 (541.1*)	−3.0	468 (495[B])	−5.5	NA	12/90	PC: Aoki Corp.
45 (41)	**Friendly Ice Cream** Wilbraham, Mass.	FS family dining	520.0 (560.0**)	−7.1	799 (820)	−2.6	640	12/90	PC: Tennessee Restaurant Co.
46 (40)	**Bonanza Restaurants** Dallas, Texas	FS steakhouses	515.0 (579.0)	−11.1	483 (575)	−16.0	NA	2/91	PC: Metromedia Steakhouses Inc.
47 (47)	**Inter-Continental Hotels** Montvale, N.J.	Lodging	514.1 (475.0)	8.2	425 (424**)	0.2	NA	12/90	PC: Saison Holdings B.V.
48 (43)	**Church's Chicken** Jefferson, La.	FF chicken	514.0 (530.0)	−3.0	1,163 (1,111)	4.7	440	12/90	PC: A. Copeland Enterprises
49 (50)	**T.G.I. Friday's** Dallas, Texas	FS dinner houses	506.7 (400.6)	26.5	167 (145)	15.2	3,400	12/90	PC: Carlson Hospitality Group
50 (46)	**Walt Disney** Burbank, Calif.	Recreation	506.0 (490.0)	3.3	209 (206)	1.5	NA	12/90	Public/NYSE

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400: RANKING

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
51 (55)	**Perkins Family Restaurants** Memphis, Tenn.	FS family dining	471.2 (423.0)	11.4	393 (371)	5.9	1,340	12/90	PC: Tennessee Restaurant Co.
52 (50)	**Ogden Services** New York, N.Y.	Contract mgmt.	465.0 (445.0**)	4.5	75 (75)	0.0	NA	12/90	Public/NYSE
53 (49)	**Bennigan's Restaurants** Dallas, Texas	FS dinner houses	461.0 (459.0)	0.4	223 (223)	0.0	NA	12/90	PC: S&A Restaurant Corp.
54 (51)	**Dobbs International Services** Memphis, Tenn.	Transportation	460.0†* (442.1†*)	4.0	52 (51)	2.0	NA	12/90	PC: The Dial Corp
55 (54)	**Chi-Chi's** Louisville, Ky.	FS Mexican	458.9 (430.5)	6.6	222 (208)	6.7	2,542	9/90	PC: Foodmaker Inc.
56 (58)	**Sonic Industries** Oklahoma City, Okla.	FF hamburgers	454.6 (410.0)	10.9	1,043 (1,011)	3.2	446	8/90	Privately held
57 (48)	**Western Sizzlin' Steak House** Dallas, Texas	FS steakhouses	445.0 (465.0)	−4.3	440 (515)	−14.6	942	12/90	Privately held
58 (61)	**Captain D's Restaurants** Nashville, Tenn.	FS seafood	412.1 (392.0)	3.6	629 (607)	3.6	667	10/90	PC: Shoney's Inc.
59 (77)	**U.S. Air Force Engineering and Services Ctr.**, Tyndall AFB, Fla.	Military	408.0† (295.4†)	38.1	595 (615)	−3.3	NA	9/90	—
60 (66)	**Morrison Family Dining Div.** Mobile, Ala.	Cafeterias	397.0 (368.0**)	7.9	172 (175)	−1.7	1,900	5/91	PC: Morrison Inc.
61 (63)	**El Torito Restaurants** Irvine, Calif.	FS Mexican	397.0 (379.0)	4.7	180 (180)	0.0	2,300	12/90	PC: Restaurant Ent. Group Inc.
62 (65)	**Chili's Grill & Bar** Dallas, Texas	FS dinner houses	387.5** (371.3*)	4.4	246* (194*)	26.8	2,275	6/91	PC: Brinker Intl.
63 (59)	**Sky Chefs** Dallas/Fort Worth Airport, Texas	Transportation	385.6Z (415.0Z)	−7.1	39 (41)	−4.9	NA	12/90	PC: Onex Capital Corp.
64 (57)	**International House of Pancakes Restaurants**, Glendale, Calif.	FS family dining	384.0 (359.0)	7.0	490 (480)	2.1	784	1/91	Privately held
65 (71)	**Radisson Hotels** Minneapolis, Minn.	Lodging	380.0 (325.0)	16.9	415 (360)	15.3	NA	12/90	PC: Carlson Hospitality Group
66 (64)	**Seiler/FDI** Waltham, Mass.	Contract mgmt.	376.1* (376.1†*)	0.0	477 (487)	−2.1	NA	12/90	PC: Sodexho
67 (73)	**Bob Evans Farms** Columbus, Ohio	FS family dining	358.0* (310.0)	15.5	241 (232)	3.9	NA	12/90	Public/OTC
68 (53)	**Golden Corral** Raleigh, N.C.	FS steakhouses	353.7* (431.4)	−18.0	404 (494)	−18.2	NA	12/90	PC: Investors Mgmt. Corp.
69 (74)	**TCBY Enterprises** Little Rock, Ark.	FF sweets	343.0 (303.0)	13.2	1,847 (1,627)	13.5	199	11/90	Public/NYSE
70 (62)	**United Airlines** Elk Grove Village, Ill.	Transportation	332.8† (383.2†)	−13.2	17 (14)	21.4	NA	12/90	PC: UAL Inc.
71 (79)	**Ryan's Family Steak Houses** Greer, S.C.	FS steakhouses	331.0 (295.2)	12.1	159 (143)	11.2	2,300	12/90	Public/OTC
72 (70)	**K mart** Troy, Mich.	Retail	326.0 (328.0)	−0.6	1,800 (1,737)	3.6	1,800	12/90	Public/NYSE
73 (96)	**U.S. Marine Corps** Washington, D.C.	Military	322.2† (252.2†)	27.8	104 (107)	−2.8	NA	9/90	—
74 (82)	**New York City Board of Education** Long Island City, N.Y.	Schools	322.0†** (282.8†**)	13.9	1,262 (1,247)	1.2	NA	6/91	—
75 (86)	**White Castle System** Columbus, Ohio	FF hamburgers	321.0 (278.4)	15.3	261 (252)	3.6	1,192	12/90	Privately held

*R&I estimate. **company est. †commercial equiv. (A) no comparison with previous year data possible. (B) adjusted reporting method. (R) revised.

400: RANKING

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
76 (80)	**Luby's Cafeterias** San Antonio, Texas	Cafeterias	**320.0 (291.5)**	9.8	**141 (127)**	11.0	2,400	12/90	Public/NYSE
77 (69)	**Rax Restaurants** Columbus, Ohio	FF sandwiches	**319.2 (334.6)**	−4.6	**454 (492)**	−7.7	658	7/90	Privately held
78 (79)	**Round Table Pizza** San Francisco, Calif.	FF pizza	**311.0 (295.0)**	5.4	**563 (551)**	2.2	557	12/90	Privately held
79 (111)	**Restaura** Phoenix, Ariz.	Contract mgmt.	**300.0[B] (200.0)**	50.0	**300 (300)**	0.0	666	12/90	PC: The Dial Corp.
80 (97)	**Hyatt International** Chicago, Ill.	Lodging	**299.0** (242.0)**	23.6	**185** (207**)**	−10.6	NA	12/90	Privately held
81 (87)	**Ramada Hotels** Phoenix, Ariz.	Lodging	**295.1* (271.9*)**	8.5	**480* (117*)**	310.3	NA	12/90	PC: Hospitality Franchise Sys.
82 (90)	**Chick-fil-A** Atlanta, Ga.	FF chicken	**293.7 (263.8)**	11.3	**441 (411)**	7.3	681	12/90	Privately held
83 (86)	**Wal-Mart Stores** Bentonville, Ark.	Retail	**290.5* (273.8*)**	6.1	**1,229 (1,095)**	12.2	NA	12/90	Privately held
84 (84)	**Waffle House** Norcross, Ga.	FS family dining	**287.8* (279.6*)**	2.9	**702 (701)**	0.1	NA	12/90	Privately held
85 (93)	**The Ground Round** South Weymouth, Mass.	FS dinner houses	**284.0 (262.7)**	8.1	**199 (196)**	1.5	1,400	12/90	PC: Intl. Protein Inc.
86 (81)	**Furr's/Bishop's Cafeterias** Lubbock, Texas	Cafeterias	**282.9 (291.0)**	−2.8	**157 (156)**	0.6	1,840	12/90	Public/NYSE
87 (92)	**Quincy's Family Steakhouses** Spartanburg, S.C.	FS steakhouses	**281.5 (263.3)**	6.9	**212 (213)**	−0.5	1,300	12/90	PC: TW Holdings Inc.
88 (83)	**National Medical Enterprises** Santa Monica, Calif.	Health care	**280.0† (280.0†)**	0.0	**675 (658)**	2.6	NA	12/90	Public/NYSE
89 (72)	**Piccadilly Cafeterias** Baton Rouge, La.	Cafeterias	**280.0** (278.0**)**	0.7	**143 (145)**	0.7	2,000	6/91	Public/OTC
90 (95)	**Dept. of Veterans Affairs** Washington, D.C.	Military	**266.0† (258.2†)**	3.0	**172 (172)**	0.0	NA	9/90	—
91 (107)	**ServiceMaster** Downers Grove, Ill.	Contract mgmt.	**264.0 (219.0)**	20.5	**305 (273)**	11.7	NA	12/90	Privately held
92 (98)	**California Dept. of Corrections** Sacramento, Calif.	Institutions	**263.2† (240.0†)**	9.7	**238 (202)**	17.8	NA	12/90	—
93 (99)	**Marie Callender's** Orange, Calif.	FS family dining	**260.0 (239.0)**	8.8	**160 (159)**	0.6	1,600	12/90	PC: Wilshire Restaurant Group
94 (60)	**Roy Rogers** Rocky Mount, N.C.	FF sandwiches	**250.8* (400.0*)**	−37.3	**400* (638*)**	−37.3	NA	12/90	PC: Imasco Ltd.
95 (105)	**Bakers Square** Matteson, Ill.	FS family dining	**250.0 (221.0)**	13.1	**165 (161)**	2.5	NA	10/90	PC: VICORP Restaurants
96 (113)	**Sbarro** Commack, N.Y.	FF Italian	**249.0 (196.0)**	27.0	**457 (384)**	19.0	555	12/90	Public/AMEX
97 (89)	**Trans World Airlines** New York, N.Y.	Transportation	**244.0†* (267.0†)**	−8.6	**3 (3)**	0.0	NA	12/90	Public/NYSE
98 (88)	**Beverly Enterprises** Pasadena, Calif.	Health care	**242.2† (268.8†*)**	−9.9	**862 (885)**	−2.6	NA	12/90	Public/NYSE
99 (102)	**Village Inn Restaurants** Denver, Colo.	FS family dining	**240.2 (227.3)**	5.7	**228 (232)**	−1.7	1,082	10/90	PC: VICORP Restaurants Inc.
100 (A)	**United Health** Milwaukee, Wis.	Health care	**238.0† (—)**	—	**151 (—)**	—	NA	12/90	Privately held

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&RESTAURANTS & INSTITUTIONS

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
101 (75)	**Whataburger** Corpus Christi, Texas	FF hamburgers	235.5* (301.0)	−21.8	374* (438)	−14.6	NA	12/90	Privately held
102 (94)	**Tony Roma's—A Place for Ribs** Dallas, Texas	FS steakhouses	234.0 (260.0*)	−10.0	141 (133)	6.0	1,700	2/91	Privately held
103 (142)	**Applebee's Neighborhood Grill & Bar,** Kansas City, Mo.	FS dinner houses	233.3© (147.7)	58.0	160 (113)	41.6	NA	12/90	Public/OTC
104 (104)	**Godfather's Pizza** Omaha, Neb.	FF pizza	229.0** (225.0**)	1.8	525 (507)	3.6	440	5/91	Privately held
105 (101)	**Stouffer Hotels** Solon, Ohio	Lodging	227.5* (227.5*)	0.0	112* (112)	0.0	N	12/90	PC: Nestle Enterprises Inc.
106 (100)	**Marriott Family Restaurants** Washington, D.C.	FS family dining	225.0* (229.0*)	−1.7	215 (215)	0.0	NA	12/90	PC: Marriott Corp.
107 (*)	**Four Seasons Hotels & Resorts** Toronto, Ontario	Lodging	224.8 (—)	—	92 (—)	—	NA	12/90	Privately held
108 (112)	**A&W Restaurants** Livonia, Mich.	FF sandwiches	216.9 (199.2)	8.9	751 (668)	12.4	NA	12/90	PC: Taubman Investment Co.
109 (109)	**Steak & Ale** Dallas, Texas	FS steakhouses	214.0* (215.0)	−0.5	158 (159)	−0.6	NA	12/90	PC: S&A Restaurant Corp.
110 (103)	**Harry M. Stevens** Cranbury, N.J.	Contract mgmt.	210.0 (225.0)	−6.7	29 (32)	−9.4	NA	12/90	Privately held
111 (115)	**ShowBiz Pizza Place/Chuck E. Cheese's,** Irving, Texas	FS pizza	209.8 (195.5)	7.3	258 (257)	0.4	NA	12/90	Public/OTC
112 (132)	**Ruby Tuesday** Mobile, Ala.	FS dinner houses	209.0** (166.0**)	25.9	131 (100)	31.0	1,800	5/91	PC: Morrison Inc.
113 (120)	**Los Angeles Unified School District** Los Angeles, Calif.	Schools	208.6†** (186.9†*)	11.6	684 (684)	0.0	NA	6/91	—
114 (117)	**Houlihan's** Kansas City, Mo.	FS dinner houses	206.1 (190.2)	8.4	76 (69)	10.1	3,100	12/90	PC: Gilbert/ Robinson Inc.
115 (—)	**U.S. Air Force Clubs Branch** Randolph AFB, Texas	Military	203.1† (202.2†)	0.4	277 (270**)	2.6	NA	9/90	—
116 (118)	**Embassy Suites** Irving, Texas	Lodging	200.0 (190.0)	5.3	105 (99)	6.1	NA	12/90	PC: Promus Cos.
117 (161)	**Trusthouse Forte Food Services** Trumbull, Conn.	Contract mgmt.	200.0 (124.0)	61.3	575 (505)	13.9	NA	1/91	PC: Gardner Merchant Ltd.
118 (114)	**Bally Casino Resorts** Las Vegas, Nev.	Lodging	200.0** (195.5*)	2.3	33 (29*)	13.8	NA	12/90	Public/NYSE
119 (106)	**daka Food Service** Wakefield, Mass.	Contract mgmt.	200.0** (220.0)	−9.1	474 (485)	−2.3	NA	6/90	PC: Daka Intl. Inc.
120 (119)	**Krystal** Chattanooga, Tenn.	FF hamburgers	199.0 (188.3)	5.7	236 (231)	2.2	860	12/90	Privately held
121 (129)	**The Wood Co.** Allentown, Pa.	Contract mgmt.	198.3 (172.7)	14.8	290 (284)	2.1	NA	12/90	Privately held
122 (131)	**Ritz-Carlton Hotels** Atlanta, Ga.	Lodging	195.4* (166.1*)	17.6	76© (42)	81.0	NA	12/90	Privately held
123 (127)	**El Pollo Loco** Irvine, Calif.	FF chicken	194.9 (175.0)	11.4	250 (196)	27.6	906	12/90	PC: TW Services Inc.
124 (116)	**Wyatt Cafeterias** Dallas, Texas	Cafeterias	194.0 (192.0)	1.0	126 (121)	4.1	1,540	12/90	Privately held
125 (108)	**Del Taco** Costa Mesa, Calif.	FF Mexican	191.5* (216.0*)	−11.3	319 (350)	−8.9	NA	12/90	Privately held

R&I estimate * company est † commercial equiv. (A) no comparison with previous year data possible (B) adjusted reporting method (C) franchise sales est. (R) revised

400: RANKING

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126 (126)	**Carvel** Yonkers, N.Y.	FF sweets	190.0 (175.0**)	8.6	656 (769)	−6.3	270	12/90	PC: Investcorp Inc.
127 (121)	**Stuart Anderson's Restaurants** Los Altos, Calif.	FS steakhouses	185.3* (185.3*)	0.0	86 (86)	0.0	NA	12/90	PC: American Restaurant Group
128 (146)	**Cracker Barrel Old Country Store** Lebanon, Tenn.	FS family dining	183.9 (141.6*)	30.4	88 (73*)	20.5	2,293	8/90	Public/OTC
129 (122)	**Grandy's** Lewisville, Texas	FF chicken	183.1 (181.2)	1.0	201 (203)	−1.0	911	12/90	PC: American Restaurant Group
130 (110)	**Shakey's** So. San Francisco, Calif.	FS pizza	180.0 (202.5)	−11.1	374 (371)	0.8	655	12/90	PC: Inno-Pacific Holdings Inc.
131 (126)	**Country Kitchen** Minneapolis, Minn.	FS family dining	177.6 (175.4)	1.3	246 (254)	−3.1	740	12/90	PC: Carlson Hospitality Group
132 (179)	**Rally's Hamburgers** Louisville, Ky.	FF hamburgers	176.9 (102.0)	73.4	264 (202)	30.7	NA	12/90	Public/ OTC
133 (123)	**Frisch's Big Boy** Cincinnati, Ohio	FS family dining	176.0 (181.0)	−2.8	173 (170)	1.8	1,165	7/90	Public/AMEX
134 (134)	**Concession Air** Buffalo, N.Y.	Contract mgmt.	174.0 (161.2*)	7.9	38 (45)	−15.6	NA	12/90	PC: Delaware North Cos.
135 (130)	**Fuddruckers** Wakefield, Mass.	FS hamburgers	171.0 (155.0)	10.3	131 (115)	13.9	1,300	6/91	PC: Daka Intl. Inc.
136 (130)	**Sportservice** Buffalo, N.Y.	Contract mgmt.	169.0 (168.3*)	0.4	170 (170)	0.0	NA	12/90	PC: Delaware North Cos.
137 (124)	**Specialty Restaurants** Anaheim, Calif.	FS dinner houses	167.0 (178.5*)	−6.4	72 (66)	9.1	2,500	7/90	Privately held
138 (111)	**Circle K Stores** Phoenix, Ariz.	C-stores	166.3* (263.4*)	−36.9	4,681 (4,674)	0.1	NA	12/90	Privately held
139 (133)	**PoFolks** Nashville, Tenn.	FS family dining	165.0 (163.2)	1.1	137 (136)	0.7	1,200	9/90	Privately held
140 (76)	**Pizza Inns** Dallas, Texas	FS pizza	165.0 (300.0**)	−45.0	425 (685)	−38.0	383	7/90	Privately held
141 (140)	**Braum Ice Cream & Dairy Stores** Oklahoma City, Okla.	FF sweets	163.8* (150.4*)	8.9	236 (230)	2.6	NA	12/90	Privately held
142 (251)	**Universal Services** Seattle, Wash.	Contract mgmt.	160.0 (60.0)	166.7	500 (134)	273.1	NA	12/90	PC: Intl. Catering Services
143 (139)	**U.S. Army Community & Family Support Centers,** Alexandria, Va.	Military	157.5†* (155.0†)	1.6	575* (571)	0.7	NA	9/90	—
144 (162)	**Mrs. Fields Inc.** Park City, Utah	FF sweets	154.8* (123.2*)	25.6	600 (525)	14.3	NA	12/90	Privately held
145 (236)	**Wawa Inc.** Wawa, Pa.	C-stores	150.0 (140.8R)	6.5	486 (480)	1.3	306	12/90	Privately held
146 (135)	**Mister Donut of America** Minneapolis, Minn.	FF sweets	150.0 (160.6)	−6.6	504 (558)	−9.7	298	2/91	PC: Allied-Lyons Inc.
147 (174)	**Northwest Airlines** Egan, Minn.	Transportation	149.5† (127.2†)	17.5	90 (90)	0.0	NA	12/90	PC: NWA Inc.
148 (141)	**Brown Derby** Cleveland, Ohio	FS dinner houses	149.5* (149.5)	0.0	53* (53)	0.0	NA	12/90	Privately held
149 (143)	**F.W. Woolworth** New York, N.Y.	Retail	148.4 (146.9**)	1.0	725* (755**)	−4.0	NA	12/90	Public/NYSE
150 (148)	**Club Corp. of America** Dallas, Texas	Contract mgmt.	147.0 (139.5)	5.4	181 (174)	4.0	NA	12/90	Privately held

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RESTAURANTS & INSTITUTIONS

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151 (160)	**Red Robin International** Irvine, Calif.	FS dinner houses	146.0 (124.0)	17.7	68 (58)	17.2	2,200	12/90	PC: Skylark
152 (144)	**Red Lion** Vancouver, Wash.	Lodging	146.0 (146.0)	0.0	131 (129)	1.6	6,000	12/90	Public/AMEX
153 (167)	**Old Country Buffets** Eden Prairie, Minn.	Cafeterias	145.2 (115.4)	25.8	94 (78)	20.5	1,943	1/91	Public/OTC
154 (142)	**Lee's Country Chicken** Nashville, Tenn.	FF chicken	145.0 (145.3)	−0.2	281 (282)	−0.4	520	12/90	PC: Shoney's Inc.
155 (156)	**Chart House Restaurants** Solana Beach, Calif.	FS dinner houses	143.2* (131.4)	9.0	65* (60)	8.3	NA	12/90	PC: CHE Inc.
156 (136)	**Western Steer Family Steakhouse Restaurants**, Claremont, N.C.	FS steakhouses	142.4 (160.2)	−11.1	145 (165)	−12.1	930	2/91	PC: WSMP Inc.
157 (151)	**Hospital Corp. of America** Nashville, Tenn.	Health care	138.6† (135.7†*)	2.1	128 (131)	−2.3	NA	12/90	Privately held
158 (159)	**Doubletree Hotels** Phoenix, Ariz.	Lodging	138.6* (124.9*)	11.0	100 (100)	0.0	NA	12/90	Privately held
159 (150)	**Papa Gino's of America** Dedham, Mass.	FS pizza	138.0 (137.0)	0.7	218 (217)	0.5	NA	12/90	Privately held
160 (155)	**Chicago Board of Education** Chicago, Ill.	Schools	138.0†** (131.5†*)	4.9	581 (603)	−3.6	NA	6/91	—
161 (154)	**Mazzio's** Tulsa, Okla.	FS Italian	137.0 (132.0)	3.8	265 (259)	2.3	535	12/90	Privately held
162 (173)	**U.S. Dept. of Justice, Federal Prison System**, Washington, D.C.	Institutions	136.9† (108.8†)	25.8	65 (60)	8.3	NA	12/90	—
163 (149)	**Caesar's World** Los Angeles, Calif.	Lodging	136.0 (139.1)	−2.2	34 (38)	−10.5	NA	12/90	Privately held
164 (183)	**Carrow's Restaurants** Santa Barbara, Calif.	FS family dining	134.9 (122.0)	10.6	108 (106)	1.9	NA	12/90	PC: Restaurant Enterprises Group
165 (147)	**Harrah's Casino Hotels** Reno, Nev.	Lodging	134.8 (140.3)	−3.9	32 (31)	3.2	NA	12/90	Public/NYSE
166 (158)	**Taco John's** Cheyenne, Wyo.	FF Mexican	133.1 (125.1)	6.4	445 (446)	−0.2	NA	12/90	Privately held
167 (153)	**Mr. Gatti's** Kerrville, Texas	FF pizza	130.3* (133.0)	−2.0	300 (303)	−1.0	NA	12/90	PC: LDB Corp.
168 (169)	**Tastee-Freez** Utica, Mich.	FF sweets	130.0 (112.0)	16.1	364 (368)	−1.1	360	12/90	PC: DeNovo Corp.
169 (193)	**Prufrock Restaurants** Dallas, Texas	FS dinner houses	124.4 (93.6*)	32.9	79 (70)	12.9	NA	4/91	PC: Unigate Restaurants Inc.
170 (209)	**Bojangles' Chicken & Biscuits** Charlotte, N.C.	FF chicken	121.0 (—)	—	154 (—)	—	792	12/90	Privately held
171 (171)	**Lyon's Restaurants** Foster City, Calif.	FS family dining	120.5 (110.0**)	9.5	75 (67)	11.9	1,630	12/90	Privately held
172 (—)	**Carnival Cruise Lines** Miami, Fla.	Recreation	120.4* (—)	—	58* (—)	—	NA	12/90	Public/AMEX
173 (213)	**Pizzeria Uno Restaurants** West Roxbury, Mass.	FS pizza	120.2 (80.0)	50.3	85 (63)	34.9	1,650	9/90	Public/AMEX
174 (137)	**Omni Hotels** Hampton, N.H.	Lodging	119.2 (159.6)	−25.3	89 (86)	3.5	NA	12/90	PC: World Intl. Holdings Ltd.
175 (165)	**Blimpie** New York, N.Y.	FF sandwiches	117.0 (120.0)	−2.5	409 (350)	16.9	292	6/91	PC: Astor Restaurant Group

R&I estimate. *company est. †commercial equiv. (A) no comparison with previous-year data possible. (B) adjusted reporting method. (R) revised.

400: RANKING

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
176 (170)	**Wienerschnitzel** Newport Beach, Calif.	FF sandwiches	114.9 (111.0)	3.5	288 (288)	0.0	NA	12/90	PC: Galardi Group Inc.
177 (172)	**JB's Restaurants** Salt Lake City, Utah	FS dinner houses	114.8 (109.4)	4.9	133 (119)	11.8	948	12/90	Public/OTC
178 (211)	**Circus Circus Enterprises** Reno, Nev.	Lodging	112.3 (81.3)	38.1	37 (28)	32.1	NA	12/90	Public/NYSE
179 (164)	**Kettle Restaurants** Houston, Texas	FS family dining	108.4* (122.0)	−11.1	167 (188)	−11.2	NA	12/90	Privately held
180 (195)	**Steak 'N Shake** Indianapolis, Ind.	FS family dining	107.6 (90.6)	18.8	117 (112)	4.5	844	9/90	PC: Consolidated Products Inc.
181 (175)	**Daughters of Charity Health Systems,** St. Louis, Mo.	Health care	107.5†* (106.4†)	1.0	40* (40)	0.0	NA	12/90	Privately held
182 (180)	**Trusthouse Forte Hotels** El Cajon, Calif.	Lodging	106.9 (101.8*)	5.0	124 (118*)	5.1	NA	12/90	Privately held
183 (199)	**Florida Dept. of Corrections** Tallahassee, Fla.	Institutions	106.4† (89.6†*)	18.8	127 (103)	23.3	NA	12/90	—
184 (169)	**El Chico** Dallas, Texas	FS Mexican	106.4* (112.0)	−5.0	83 (90)	−7.8	NA	12/90	Public/OTC
185 (—)	**Royal Caribbean Cruise Line** Miami, Fla.	Recreation	103.6† (—)	—	54 (—)	—	NA	12/90	Privately held
186 (166)	**Navy Resale and Svcs. Support** Staten Island, N.Y.	Military	102.7† (117.6†)	−12.7	642 (569)	12.8	NA	9/90	—
187 (187)	**Dobbs Houses** Memphis, Tenn.	FS family dining	102.1* (99.8)	2.3	300 (287)	4.5	NA	12/90	PC: The Dial Corp.
188 (178)	**Humana** Louisville, Ky.	Health care	101.9† (102.8†)	−0.9	81 (84)	−3.6	NA	12/90	Public/NYSE
189 (182)	**Skipper's** Bellevue, Wash.	FF seafood	101.2 (100.7)	0.5	215 (210)	2.4	500	3/91	PC: National Pizza Co.
190 (184)	**Loews Hotels** New York, N.Y.	Lodging	100.7 (100.0)	0.7	80 (80)	0.0	NA	12/90	PC: Loews Corp.
191 (243)	**Haagen-Dazs** Teaneck, N.J.	FF sweets	100.7* (63.5*)	58.6	377* (275*)	37.1	182	12/90	PC: Grand Metropolitan PLC
192 (185)	**Calif. Dept. of Rehabilitation** Sacramento, Calif.	Institutions	100.0 (100.0†)	0.0	260 (260)	0.0	NA	12/90	—
193 (*)	**Busch Entertainment** St. Louis, Mo.	Recreation	100.0* (—)	—	110* (—)	—	NA	12/90	PC: Anheuser-Busch Inc.
194 (201)	**Taco Time** Eugene, Ore.	FF Mexican	99.0 (89.0)	11.2	373 (309)	20.7	NA	9/90	Privately held
195 (177)	**Brown's Chicken** Lombard, Ill.	FF chicken	96.0 (103.0)	−6.8	148 (150)	−1.3	650	12/90	Privately held
196 (196)	**Professional Food-Service Mgmt.** Jupiter, Fla.	Contract mgmt.	95.2 (90.0)	5.8	129 (134)	−3.7	NA	8/91	Privately held
197 (191)	**Fosters Freeze International** Arroyo Grande, Calif.	FF sweets	95.0 (96.0)	−1.0	180 (182)	−1.1	700	12/90	Privately held
198 (190)	**Druther's International** Louisville, Ky.	FF hamburgers	94.0 (97.0)	−3.1	135 (146)	−7.5	NA	12/90	PC: Intl. Dairy Queen
199 (188)	**Paragon Steakhouse Restaurants** San Diego, Calif.	FS steakhouses	93.6* (98.0)	−4.5	50 (54)	−7.4	NA	12/90	PC: Kyotaru Ltd.
200 (207)	**Houston's Restaurants** Atlanta, Ga.	FS dinner houses	93.0 (83.8)	11.0	20 (19)	5.3	NA	12/90	Privately held

*R&I estimate. company est. †commercial equiv. (A) no comparison with previous year data possible. (B) adjusted reporting method. (R) revised

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400: RANKING

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
201 (200)	**Guest Services** Fairfax, Va.	Contract mgmt.	93.0 (89.3)	4.1	128 (126)	1.6	NA	12/90	Privately held
202 (336)	**Golden Nugget Casinos** Las Vegas, Nev.	Lodging	92.2 (38.8**)	136.4	18 (18)	0.0	NA	12/90	Privately held
203 (198)	**New York State Dept. of Correctional Services,** Albany, N.Y.	Institutions	92.0† (89.5†)	2.7	67 (65)	3.1	NA	12/90	—
204 (204)	**Lettuce Entertain You Enterprises** Chicago, Ill.	FS dinner houses	91.0* (85.0)	7.1	29 (26)	11.5	NA	12/90	Privately held
205 (197)	**Benihana of Tokyo** Miami, Fla.	FS dinner houses	90.0 (90.0**)	0.0	49 (49)	0.0	NA	12/90	Public/OTC
206 (382)	**Dayton Hudson Department Store** Minneapolis, Minn.	Retail	90.0 (45.0*)	100.0	108 (61)	77.0	NA	12/90	Privately held
207 (194)	**Wometco Food Services** Anderson, S.C.	Contract mgmt.	90.0** (91.5)	−1.6	969 (979)	−1.0	NA	6/91	Privately held
208 (189)	**Orange Julius** Bloomington, Minn.	FF sweets	89.8* (97.1)	−7.5	614 (660)	−7.0	NA	11/90	Privately held
209 (230)	**Dade County Schools** Miami, Fla.	Schools	89.6†** (70.0†**)	28.0	300 (292)	2.7	NA	12/90	—
210 (218)	**TrettCo** Farmington Hills, Mich.	Contract mgmt.	88.7 (78.4)	13.1	122 (107)	14.0	NA	12/90	Privately held
211 (214)	**Garcia's Mexican Restaurants** Scottsdale, Ariz.	FS Mexican	87.5 (79.4)	10.2	53 (48)	10.4	NA	12/90	PC: Famous Restaurants Inc.
212 (317)	**Hooters Restaurants** Atlanta, Ga.	FS dinner houses	85.0 (60.0)	41.7	48 (43)	11.6	1,900	12/90	Privately held
213 (253)	**King's Table Buffets** Bellevue, Wash.	Cafeterias	85.0 (85.0)	0.0	79 (83)	−4.8	1,080	12/90	Privately held
214 (125)	**U.S. Navy Officer's and Enlisted Club System,** Washington, D.C.	Military	84.6† (82.3†)	2.8	363 (318)	14.2	NA	9/90	—
215 (206)	**Princess Hotels International** New York, N.Y.	Lodging	84.3* (83.9*)	0.5	34 (34)	0.0	NA	12/90	PC: Lonrho PLC
216 (217)	**New York State Office of Mental Health,** Albany, N.Y.	Institutions	84.0† (78.4†**)	7.1	32 (32)	0.0	NA	12/90	—
217 (152)	**Winchell's Donut House** La Mirada, Calif.	FF sweets	80.9* (135.0)	−40.1	385* (650)	−40.8	NA	12/90	PC: Shato Holdings Ltd.
218 (241)	**Huddle House** Decatur, Ga.	FS family dining	80.5* (64.5*)	24.8	198* (170)	16.5	NA	12/90	Privately held
219 (208)	**Six Flags** Arlington, Texas	Recreation	80.5* (83.2*)	−3.2	340* (350*)	−2.9	NA	12/90	Privately held
220 (212)	**Sonny's Real Pit BBQ** Gainesville, Fla.	FS steakhouses	80.3 (80.7)	−0.5	70 (80)	−12.5	NA	12/90	Privately held
221 (224)	**Eat'N Park Restaurants** Pittsburgh, Pa.	FS family dining	80.0 (75.0)	6.7	52 (49)	6.1	1,500	12/90	Privately held
222 (176)	**Howard Johnson** So. Weymouth, Mass.	FS family dining	80.0** (105.0)	−23.8	100 (111)	−9.9	800	12/90	PC: Franchise Associates
223 (227)	**Health Trust** Nashville, Tenn.	Health care	79.5† (72.8†*)	9.2	85 (90)	−5.6	NA	12/90	Privately held
224 (250)	**Mrs. Winner's Chicken & Biscuits** Brentwood, Tenn.	FF chicken	79.0 (75.4)	4.8	116 (120)	−3.3	675	12/90	PC: RTM Inc.
225 (245)	**L&N Seafood Grill** Mobile, Ala.	FS seafood	78.8 (52.8**)	49.2	34 (24)	41.7	2,200	5/91	PC: Morrison Inc.

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400: RANKING

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
226 (228)	**Michigan Dept. of Corrections** Lansing, Mich.	Institutions	77.6† (70.7†*)	9.8	69 (45)	53.3	NA	12/90	—
227 (*)	**Rusty Pelican Restaurants** San Juan Capistrano, Calif.	FS seafood	76.3 (—)	—	32 (—)	—	2,300	10/90	PC: Green Leaf Ventures
228 (222)	**Adventist Health System** Arlington, Texas	Health care	75.8†* (75.8†*)	0.0	138 (138)	0.0	NA	12/90	Privately held
229 (221)	**The Levy Restaurants** Chicago, Ill.	FS dinner houses	75.0 (70.0)	7.1	36 (35)	2.9	NA	12/90	Privately held
230 (192)	**Swensen's Ice Cream** Andover, Mass.	FS family dining	75.0 (95.0)	−21.1	256 (279)	−8.2	300	12/90	PC: Steve's Ice Cream
231 (223)	**Sir Pizza International** Muncie, Ind.	FF pizza	75.0** (75.0)	0.0	107 (107)	0.0	700	12/90	Privately held
232 (245)	**Pancho's Mexican Buffet** Fort Worth, Texas	FS Mexican	74.5 (63.0)	18.3	67 (63)	6.3	1,108	9/90	Public/OTC
233 (215)	**Valley Innovative Management Services,** Jackson, Miss.	Contract mgmt.	74.4 (79.2†)	−6.1	137 (125)	9.6	NA	12/90	Privately held
234 (233)	**Acapulco Restaurants** Long Beach, Calif.	FS Mexican	74.0 (68.0)	8.8	41 (41)	0.0	1,600	12/90	PC: Kyotaru Ltd.
235 (219)	**Bill Knapp's Michigan** Battle Creek, Mich.	FS dinner houses	73.8* (77.5*)	−4.8	61 (62)	−1.6	NA	12/90	Privately held
236 (202)	**Resorts International** Atlantic City, N.J.	Lodging	72.0 (87.9)	−18.1	23 (26)	−11.5	NA	12/90	Public/AMEX
237 (—)	**Wyndham Hotels & Resorts** Dallas, Texas	Lodging	72.0 (—)	—	35 (—)	—	NA	12/90	Privately held
238 (234)	**Manor Health Care** Silver Spring, Md.	Health care	71.7† (67.2†)	6.7	168 (158)	6.3	NA	12/90	PC: Manor Care Inc.
239 (309)	**New York State Office of Mental Retardation,** Albany, N.Y.	Institutions	70.3† (44.8†)	56.9	20 (17)	17.6	NA	3/91	—
240 (266)	**Au Bon Pain** Boston, Mass.	FS family dining	70.2 (56.0)	25.4	86 (75)	14.7	104	12/90	Privately held
241 (225)	**Prime Motor Inns** Fairfield, N.J.	Lodging	70.0** (75.0)	−6.7	75 (78)	−3.8	NA	12/90	Public/NYSE
242 (235)	**New Jersey Dept. of Corrections** Trenton, N.J.	Institutions	69.7† (66.4†)	5.0	68 (65)	4.6	NA	12/90	—
243 (226)	**Taco Villa** Dallas, Texas	FF Mexican	69.4 (75.0)	−7.5	145 (148)	−2.0	NA	12/90	Privately held
244 (352)	**AMTRAK** Washington, D.C.	Transportation	68.9 (60.0)	14.8	300 (350)	−14.3	NA	12/90	Privately held
245 (242)	**Restaurants Unlimited** Seattle, Wash.	FS dinner houses	68.5 (64.0)	7.0	21 (21)	0.0	3,000	12/90	PC: E.S. Jacobs & Co.
246 (253)	**Target Stores** Minneapolis, Minn.	Retail	67.0 (60.0*)	11.7	420 (403)	4.2	180	12/90	PC: Dayton Hudson
247 (239)	**Fairmont Hotels** San Francisco, Calif.	Lodging	66.3 (65.0)	2.0	23 (23)	0.0	NA	12/90	Privately held
248 (254)	**Togo's Eatery** Campbell, Calif.	FF sandwiches	66.0 (60.0)	10.0	133 (129)	3.1	440	3/91	PC: MTC Management Inc.
249 (256)	**Pennsylvania Dept. of Corrections** Camp Hill, Pa.	Institutions	65.8† (47.6†)	38.2	32 (34)	−5.9	NA	12/90	—
250 (311)	**I Can't Believe It's Yogurt** Dallas, Texas	FF sweets	65.0 (44.6)	45.7	430 (291)	47.8	219	12/90	PC: Brice Foods Inc.

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RESTAURANTS & INSTITUTIONS

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
251 (238)	**Sanese Services** Columbus, Ohio	Contract mgmt.	65.0 (65.0)	0.0	52 (62)	0.0	NA	12/90	Privately held
252 (267)	**K&W Cafeterias** Winston-Salem, N.C.	Cafeterias	65.0** (56.0)	16.1	24 (23)	4.3	2,700	6/91	Privately held
253 (249)	**The Boyd Group** Las Vegas, Nev.	Lodging	64.6 (60.7)	6.4	28 (27)	3.7	NA	12/90	Privately held
254 (262)	**Sirloin Stockade International** Hutchinson, Kan.	FS steakhouses	64.0 (57.3)	11.7	74 (68)	8.8	900	12/90	Privately held
255 (*)	**Trans/Pacific Specialty Restaurants** Irvine, Calif.	FS dinner houses	64.0 (—)	—	35 (—)	—	1,900	3/91	Privately held
256 (285)	**Damon's Inc.** Hilton Head, S.C.	FS barbecue	62.0 (50.0)	24.0	40 (38)	5.3	1,600	12/90	Privately held
257 (248)	**Registry Hotels** Dallas, Texas	Lodging	61.4 (63.0)	−2.5	15 (15)	0.0	NA	12/90	Privately held
258 (248)	**Stuckey's** McLean, Va.	FS family dining	60.7 (61.2)	−0.8	104 (127)	−18.1	580	12/90	Privately held
259 (253)	**Taco Bueno** Dallas, Texas	FF Mexican	60.6 (56.7*)	6.9	110 (110)	0.0	NA	4/91	PC: Casa Bonita Inc.
260 (—)	**Holland America Line** Seattle, Wash.	Recreation	60.2†* (—)	—	52 (—)	—	NA	12/90	PC: Carnival Cruise Line
261 (310)	**O'Charley's** Nashville, Tenn.	FS dinner houses	60.0 (41.6)	44.2	31 (26)	19.2	NA	12/90	Public/OTC
262 (284)	**Ruth's Chris Steak House** New Orleans, La.	FS steakhouses	60.0 (50.0)	20.0	29 (26)	11.5	2,300	12/90	Privately held
263 (264)	**The Original Cookie Company** Cleveland, Ohio	FF sweets	60.0 (58.0)	3.4	250 (250)	0.0	240	12/90	PC: Midial S.A.
264 (255)	**Great American Chocolate Chip Cookie Co.**, Atlanta, Ga.	FF sweets	59.9* (60.0*)	−0.2	330* (300)	10.0	NA	12/90	Privately held
265 (257)	**Veterans Canteen Service** Washington, D.C.	Military	59.9†* (59.9†)	0.0	172 (172)	0.0	NA	9/90	—
266 (271)	**Peter Piper** Phoenix, Ariz.	FF pizza	58.6* (55.2*)	6.2	116 (112)	3.6	NA	12/90	Privately held
267 (244)	**Magic Pan** San Mateo, Calif.	FS dinner houses	58.0 (63.0)	−7.9	54 (48)	12.5	1,600	12/90	PC: Bay Bottlers Ltd.
268 (327)	**Nutrition Management Services** Kimberton, Pa.	Contract mgmt.	58.0 (40.0)	45.0	100 (50)	100.0	NA	6/91	Privately held
269 (247)	**Bombay Bicycle Club** Tarzana, Calif.	FS dinner houses	58.0 (61.3)	−5.4	34 (51)	−33.3	1,400	9/90	PC: Industrial Equity
270 (272)	**Adam's Mark Hotels** St. Louis, Mo.	Lodging	57.0 (55.0)	3.6	33 (28)	17.9	9,000	12/31	Privately held
271 (273)	**Schlotzsky's** Austin, Texas	FF sandwiches	57.0 (55.0)	3.6	238 (245)	−2.9	290	12/90	Privately held
272 (—)	**Hungry Howie's Pizza & Subs** Livonia, Mich.	FF pizza	57.0 (—)	—	177 (—)	—	NA	12/90	Privately held
273 (258)	**McCrory Stores** York, Pa.	Retail	56.6 (59.8**)	−5.0	296 (316)	−6.3	190	12/90	Privately held
274 (269)	**Dept. of Public Welfare, Commonwealth of Pa.**, Harrisburg, Pa.	Institutions	56.0†** (55.8†)	0.4	32 (36)	−11.1	NA	6/91	—
275 (270)	**Pointe Resorts** Phoenix, Ariz.	Lodging	55.4* (55.4*)	0.0	11 (11)	0.0	NA	12/90	Privately held

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400: RANKING

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276 (277)	**Restaurant Associates Theme Restaurants,** New York, N.Y.	FS dinner houses	55.2 (52.4)	5.3	18 (21)	−14.3	NA	12/90	PC: Restaurant Associates Corp.
277 (260)	**Hard Rock Cafe America** Los Angeles, Calif.	FS dinner houses	55.0 (58.1**)	−5.3	11 (8)	37.5	6,000	12/90	PC: Mecca Leisure USA
278 (287)	**Red Onion Restaurants** Carson, Calif.	FS Mexican	55.0 (50.0**)	10.0	16 (15)	6.7	3,400	12/90	PC: Intl. Onion Inc.
279 (283)	**Shari's Family Restaurants** Portland, Ore.	FS family dining	55.0 (50.0)	10.0	52 (45)	15.6	1,325	12/90	Privately held
280 (294)	**Soup Exchange** San Diego, Calif.	FS family dining	55.0 (48.0)	14.6	35 (31)	12.9	1,700	12/90	PC: Soup & Salad Systems
281 (290)	**New York City Health & Hospitals** New York, N.Y.	Health care	55.0†* (50.9†)	8.1	17 (17)	0.0	NA	12/90	—
282 (284)	**Carousel Snack Bars of Minnesota** Minneapolis, Minn.	FF sandwiches	54.5 (56.5)	−3.5	279 (275)	−1.8	225	5/91	Privately held
283 (229)	**Ohio Dept. of Rehabilitation & Correction,** Columbus, Ohio	Institutions	53.2†** (70.4†)	−24.4	22 (25)	−12.0	NA	6/91	—
284 (258)	**C.A. Muer Corp** Detroit, Mich.	FS seafood	53.0 (59.0)	−10.2	15 (17)	−11.8	NA	9/90	Privately held
285 (237)	**Charlie Brown's/The Office** Union, N.J.	FS dinner houses	52.1 (65.0)	−19.8	33 (33)	0.0	1,513	9/90	PC: Restaurant Associates
286 (288)	**Legal Sea Foods** Allston, Mass.	FS seafood	52.0 (50.0)	4.0	8 (7)	14.3	6,500	12/90	Privately held
287 (279)	**Trader Vic's** San Francisco, Calif.	FS dinner houses	52.0* (51.0**)	2.0	29 (18)	11.1	NA	12/90	Privately held
288 (278)	**Creative Restaurant Management** Shawnee Mission, Kan.	FS dinner houses	51.5* (51.5)	0.0	22 (21)	4.8	NA	12/90	Privately held
289 (298)	**The Evangelical Lutheran Good Samaritan Society,** Sioux Falls, S.D.	Health care	51.2†* (47.0†)	8.9	299* (294)	2.5	NA	12/90	Privately held
290 (289)	**Emro Marketing** Springfield, Ohio	C-stores	51.1 (50.0)	2.2	878 (860)	2.1	NA	12/90	PC: Marathon Oil Co.
291 (218)	**Mr. Steak** Englewood, Colo.	FS steakhouses	51.0 (78.0)	−34.6	85 (98)	−13.3	700	9/90	PC: JAMCO Ltd.
292 (292)	**The Old Spaghetti Factory** Portland, Ore.	FS Italian	51.0 (48.6)	4.9	36 (32)	12.5	NA	12/90	PC: OSF Intl. Inc.
293 (291)	**School District of Philadelphia** Philadelphia, Pa.	Schools	50.7†** (49.3†**)	2.8	262 (262)	0.0	NA	6/91	—
294 (282)	**California Dept. of Developmental Services,** Sacramento, Calif.	Institutions	50.4† (50.4†**)	0.0	11 (11)	0.0	NA	12/90	—
295 (299)	**U.S. Army Medical Dept.** Falls Church, Va.	Military	50.2†* (46.6†)	7.7	50 (50)	0.0	NA	9/90	—
296 (—)	**Guest Quarters Suite Hotels** Boston, Mass.	Lodging	50.0 (—)	—	30 (—)	—	1,600	12/90	PC: Beacon Hotel Corp.
297 (286)	**Olga's Kitchen** Troy, Mich.	FS family dining	50.0 (50.0)	0.0	53 (53)	0.0	950	12/90	Privately held
298 (334)	**Nordstrom** Seattle, Wash.	Retail	49.7 (39.0)	27.4	69* (61)	13.1	NA	12/90	Privately held
299 (275)	**Showboat** Atlantic City, N.J.	Lodging	49.3 (53.7)	−8.2	12 (12)	0.0	NA	12/90	Public/NYSE
300 (304)	**Southern Foodservice Management** Birmingham, Ala.	Contract mgmt.	49.0 (45.0)	8.9	88 (80)	7.5	NA	12/90	Privately held

*R&I estimate, **company est., †commercial equiv.; (A) no comparison with previous-year data possible; (B) adjusted reporting method; (R) revised.

RESTAURANTS & INSTITUTIONS

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
301 (232)	**U.S.M.C. Morale, Welfare & Recreation Support,** Quantico, Va.	Military	46.7† (54.8†)	−9.8	364 (300)	21.3	NA	12/90	—
302 (305)	**Hamburger Hamlet** Sherman Oaks, Calif.	FS dinner houses	46.4 (45.0)	7.6	23 (22)	4.5	2,300	12/90	Privately held
303 (309)	**Entertainment One** Houston, Texas	FS dinner houses	46.0 (29.2)	64.4	20 (18)	11.1	2,400	12/90	Privately held
304 (229)	**American Medical International** Beverly Hills, Calif.	Health care	47.8†* (76.7†*)	−37.7	43 (99)	−37.7	NA	12/90	Public/NYSE
305 (—)	**Peasant Restaurants** New York, N.Y.	FS dinner houses	47.5* (—)	—	19 (—)	—	NA	12/90	Privately held
306 (289)	**Aztar** Phoenix, Ariz.	Lodging	47.4 (49.9)	−5.0	38 (47)	−19.1	NA	12/90	Public/OTC
307 (274)	**Bobby McGee's USA** Phoenix, Ariz.	FS dinner houses	47.0 (55.0)	−14.5	17 (19)	−10.5	2,800	12/90	Privately held
308 (—)	**Guckenheimer** Cupertino, Calif.	Contract mgmt.	47.0 (—)	—	117 (—)	—	NA	7/90	Privately held
309 (293)	**MCL Cafeterias** Indianapolis, Ind.	Cafeterias	46.8* (48.3)	−3.1	27 (27)	0.0	NA	12/90	Privately held
310 (302)	**Casey's General Store** Des Moines, Iowa	C-stores	46.5** (45.6**)	2.0	786 (762)	3.1	NA	12/90	Public/OTC
311 (346)	**Cinnabon World Famous Cinnamon Rolls,** Seattle, Wash.	FF sweets	46.0 (38.5)	19.5	148 (124)	19.4	350	12/90	PC: Restaurants Unlimited Inc.
312 (301)	**Life Care Center** Cleveland, Tenn.	Health care	46.0* (45.8*)	0.4	124* (123)	0.8	NA	12/90	Privately held
313 (329)	**Hawaii Statewide School System** Honolulu, Hawaii	Schools	45.9†** (49.0†**)	14.8	230 (224)	2.7	NA	12/90	—
314 (310)	**Health Care & Retirement** Toledo, Ohio	Health care	45.6† (44.8†*)	1.8	135 (130)	3.8	NA	12/90	Privately held
315 (301)	**Freshens Yogurt** Atlanta, Ga.	FF sweets	45.0 (30.0)	50.0	241 (170)	41.8	230	8/90	PC: Yogurt Ventures Inc.
316 (350)	**Skyline Chili** Cincinnati, Ohio	FS family dining	45.0 (34.2)	31.6	76 (79)	−3.8	592	10/90	Public/OTC
317 (—)	**Doral Hotels & Resorts** New York, N.Y.	Lodging	45.0 (—)	—	16 (—)	—	6,500	12/90	Privately held
318 (261)	**Detroit Public Schools** Detroit, Mich.	Schools	44.8†** (50.4†**)	−11.1	246 (261)	−5.7	NA	12/90	—
319 (307)	**Velvet Turtle** Los Altos, Calif.	FS dinner houses	44.8* (45.0)	−.9	21 (21)	0.0	NA	12/90	PC: American Restaurant Group
320 (265)	**Houston Independent School District** Houston, Texas	Schools	44.2†** (56.4†**)	−21.6	229 (227)	0.9	NA	12/90	—
321 (314)	**Vie de France Bakery & Cafe** McLean, Va.	FS family dining	44.0 (43.0)	2.3	42 (58)	−27.6	NA	7/90	PC: Vie de France Restaurant Corp.
322 (319)	**Jerry's Subs & Pizza** Gaithersburg, Md.	FF sandwiches	43.5 (41.0**)	6.1	75 (72)	4.2	579	3/91	PC: Jerry's Systems
323 (336)	**Bobby Rubino's Place for Ribs** Fort Lauderdale, Fla.	FS steakhouses	43.4 (39.0)	11.3	20 (18)	11.1	2,170	12/90	Privately held
324 (366)	**Bresler's Ice Cream & Yogurt** Des Plaines, Ill.	FF sweets	43.0 (35.0)	22.9	300 (300)	0.0	160	12/90	Privately held
325 (374)	**LaRosa's** Cincinnati, Ohio	FS Italian	43.0 (33.0)	30.3	49 (46)	6.5	NA	12/90	Privately held

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400: RANKING

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
326 (—)	**Mr. Philly/Mr. Hero** Independence, Ohio	FF sandwiches	43.0 (—)	—	125 (—)	—	385	12/90	PC: Restaurant Developers Corp.
327 (309)	**Hot Sam/Corn Dog on a Stick** Cleveland, Ohio	FF sweets	43.0* (46.0)	−6.5	279 (297)	−6.1	NA	12/90	PC: Midial S.A.
328 (—)	**Opryland Hotel** Nashville, Tenn.	Lodging	43.0 (—)	—	8 (—)	—	NA	12/90	Privately held
329 (353)	**Dallas Independent School District** Dallas, Texas	Schools	42.8†** (36.4†**)	17.6	193 (184)	4.9	NA	6/91	—
330 (308)	**North Carolina Dept. of Corrections** Raleigh, N.C.	Institutions	42.6† (44.8†)	−4.9	91 (98)	−7.1	NA	7/90	—
331 (349)	**Maid-Rite Products** Des Moines, Iowa	FF sandwiches	42.5 (38.0)	11.8	170 (153)	11.1	250	12/90	Privately held
332 (339)	**Leisery** Deerfield, Ill.	Recreation	42.2 (38.8*)	8.8	126 (125*)	0.0	335	12/90	PC: Brunswick Corp.
333 (332)	**Lackmann Food Service** Woodbury, N.Y.	Contract mgmt.	42.1** (39.3)	7.1	48 (48)	0.0	NA	6/91	Privately held
334 (—)	**Columbia Restaurants** Tampa, Fla.	FS dinner houses	42.0 (—)	—	10 (—)	—	4,200	12/90	Privately held
335 (—)	**National Healthcorp** Murfreesboro, Tenn.	Health care	42.0† (—)	—	75 (—)	—	NA	12/90	Privately held
336 (315)	**Stouffer Specialty Restaurants** Pepper Pike, Ohio	FS dinner houses	42.0* (42.5*)	−1.2	20* (20)	0.0	NA	12/90	PC: Nestlé Ent.
337 (299)	**David's Cookies** Great Neck, N.Y.	FF sweets	41.7* (55.5*)	−24.9	238 (375)	−36.5	NA	12/90	PC: Specialty Foods Mgmt.
338 (313)	**Country Pride Restaurants** Cleveland, Ohio	FS family dining	41.6* (43.7)	−4.8	40 (42)	−4.8	NA	12/90	PC: Truckstops of America
339 (328)	**Nathan's Famous** Westbury, N.Y.	FF sandwiches	41.0 (40.0**)	2.5	64 (54**)	18.5	1,300	3/91	Privately held
340 (329)	**Toddle Houses/Steak 'N' Egg** Milford, Conn.	FS family dining	41.0** (41.0)	0.0	148 (152)	−2.6	NA	12/90	PC: Diversified Hospitality Group
341 (323)	**Amfac Resorts** Flagstaff, Ariz.	Lodging	40.7* (40.7*)	0.0	21* (21*)	0.0	NA	12/90	Privately held
342 (322)	**Helmsley Hotels** New York, N.Y.	Lodging	40.7* (40.7*)	0.0	15** (15**)	0.0	NA	12/90	Privately held
343 (341)	**Casa Olé Restaurants & Cantinas** Houston, Texas	FS Mexican	40.5 (38.5)	5.2	36 (35)	2.9	1,150	12/90	Privately held
344 (328)	**Two Pesos Mexican Cafes** Houston, Texas	FF Mexican	40.2 (40.3)	−.2	29 (28)	3.6	NA	3/91	Public/AMEX
345 (326)	**Texas Dept. of Corrections** Huntsville, Texas	Institutions	40.1†* (40.1†**)	0.0	61* (61)	0.0	NA	12/90	—
346 (337)	**Arctic Circle** Midvale, Utah	FF hamburgers	40.0 (39.0)	2.6	106 (99)	7.1	NA	12/90	Privately held
347 (347)	**Everything Yogurt** Staten Island, N.Y.	FF sweets	40.0 (38.0)	5.3	315 (282)	11.7	375	12/90	Privately held
348 (256)	**Pioneer Chicken** Canoga Park, Calif.	FF chicken	40.0 (60.0*)	−33.3	150 (195)	−23.1	NA	12/90	PC: Pioneer California Chicken
349 (333)	**Sonesta Hotels** Boston, Mass.	Lodging	40.0 (39.1*)	2.3	30 (30)	0.0	NA	12/90	Privately held
350 (—)	**Spectrum Restaurants** San Francisco, Calif.	FS dinner houses	40.0 (30.5*)	31.1	15 (14)	7.1	2,500	12/90	PC: American Restaurant Group

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RESTAURANTS & INSTITUTIONS

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
351 (372)	**Spire's Restaurants** Orange, Calif.	FS dinner houses	40.0 (33.8*)	18.3	22 (21)	4.8	NA	12/90	Privately held
352 (361)	**California Pizza Kitchen** Los Angeles, Calif.	FS pizza	40.0** (35.0)	14.3	19 (12)	58.3	NA	6/91	Privately held
353 (—)	**Miami Subs/Mr. Submarine** Fort Lauderdale, Fla.	FF sandwiches	40.0** (—)	—	55 (—)	—	880	5/91	Public/OTC
354 (—)	**Spaghetti Warehouse** Garland, Texas	FS Italian	40.0** (—)	—	17 (—)	—	2,700	6/91	Public/AMEX
355 (344)	**U.S. Coast Guard** Washington, D.C.	Military	39.8† (38.2†)	4.2	398 (431)	−7.7	NA	12/90	—
356 (—)	**New Jersey Dept. of Human Services,** Trenton, N.J.	Institutions	39.2† (—)	—	14 (—)	—	NA	12/90	—
357 (343)	**Ark Restaurants** New York, N.Y.	FS dinner houses	39.0 (38.4)	1.6	15 (19)	−21.1	NA	9/90	Public/AMEX
358 (377)	**Michigan State University** East Lansing, Mich.	Schools	38.9†** (32.7†**)	19.0	44 (37)	18.9	NA	6/91	—
359 (389)	**Broward County School Board** Fort Lauderdale, Fla.	Schools	38.6†** (30.5†**)	26.6	175 (165)	6.1	NA	6/91	—
360 (342)	**Texas Health Enterprises** Denton, Texas	Health care	38.5†* (38.5†)	0.0	110 (110)	0.0	NA	12/90	Privately held
361 (375)	**In-N-Out Burgers** Baldwin Park, Calif.	FF hamburgers	38.1* (32.9*)	15.8	64 (59)	8.5	NA	12/90	Privately held
362 (3[illegible])	**Palm Restaurants** New York, N.Y.	FS dinner houses	38.0 (35.0)	8.6	11 (12)	−8.3	3,400	12/90	Privately held
363 (370)	**Shells Restaurants** Tampa, Fla.	FS dinner houses	38.0 (34.0)	11.8	28 (25)	12.0	1,400	12/90	Privately held
364 (362)	**King's Family Restaurants** McKeesport, Pa.	FS family dining	38.0** (35.0**)	8.6	22 (22)	0.0	NA	6/91	Privately held
365 (—)	**The Cheesecake Factory** Marina del Rey, Calif.	FS dinner houses	37.5 (—)	—	5 (—)	—	NA	12/90	Privately held
366 (345)	**Pietro's** Linnwood, Wash.	FS pizza	37.5* (38.0)	−1.3	79 (80)	−1.3	NA	12/90	Privately held
367 (355)	**Sandwich Chef** Birmingham, Ala.	FF sandwiches	37.4 (36.0)	3.9	135 (140)	−3.6	NA	7/90	Public/OTC
368 (—)	**Mountain Mike's Pizza** Sacramento, Calif.	FF pizza	37.0 (—)	—	70 (—)	—	520	12/90	PC: Q&S Mgmt.
369 (350)	**Noble Roman's** Indianapolis, Ind.	FS pizza	37.0 (35.7**)	3.6	76 (79)	−3.8	550	12/90	Privately held
370 (357)	**Happy Chef Restaurants** Mankato, Minn.	FS family dining	36.7 (36.0)	1.9	59 (58)	1.7	NA	12/90	Privately held
371 (350)	**Phillips Seafood Restaurants** Baltimore, Md.	FS seafood	36.3 (37.0)	−1.9	6 (6)	0.0	5,500	12/90	Privately held
372 (368)	**Grand American Fare** Santa Monica, Calif.	FS dinner houses	36.0 (34.7)	3.7	32 (32)	0.0	NA	12/90	Privately held
373 (354)	**T.K. Tripps** Greensboro, N.C.	FS dinner houses	36.0* (36.0*)	0.0	24 (24)	0.0	NA	12/90	Privately held
374 (—)	**Lamp Post Pizza** Tustin, Calif.	FF pizza	35.8 (—)	—	64 (—)	—	465	9/90	Privately held
375 (—)	**Checkers of North America** Clearwater, Fla.	FF hamburgers	35.5 (—)	—	70 (—)	—	953	12/90	Privately held

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400: RANKING

Rank '91 ('90)	Company Headquarters	Segment	'90 sales ('89 sales) in $ millions	% change sales	'90 units ('89 units)	% change units	AUV in $ thousands	FY ends	Ownership
376 (349)	**Carlos Murphy's Restaurants** San Diego, Calif.	FS Mexican	35.0 (37.0)	−5.4	17 (17)	0.0	2,200	12/90	Privately held
377 (364)	**Elmer's Pancake & Steak House** Portland, Ore.	FS family dining	35.0 (35.0**)	0.0	28 (28)	0.0	1,250	3/91	Privately held
378 (—)	**The Pasta House** St. Louis, Mo.	FS Italian	35.0 (—)	—	25 (—)	—	1,400	12/90	Privately held
379 (348)	**Penguin's Frozen Yogurt** Thousand Oaks, Calif.	FF sweets	35.0 (37.2)	−5.9	126 (128)	−1.6	300	12/90	PC: Bongrain S.A.
380 (295)	**T.J. Cinnamons Bakeries** Kansas City, Mo.	FF sweets	35.0 (48.0)	−27.1	150 (191)	−21.5	NA	12/90	PC: Signature Foods Inc.
381 (—)	**Hatsuhana Restaurants** New York, N.Y.	FS dinner houses	35.0 (—)	—	3 (—)	—	NA	12/90	Privately held
382 (—)	**Universal Studios Florida** Orlando, Fla.	Recreation	35.0* (—)	—	15 (—)	—	NA	6/91	PC: MCI Corp.
383 (356)	**Valentino's** Lincoln, Neb.	FS pizza	34.3 (36.0)	−4.7	43 (41)	4.9	800	3/91	Privately held
384 (386)	**The New York Restaurant Group** New York, N.Y.	FS dinner houses	34.2 (30.0)	14.0	6 (6)	0.0	NA	12/90	Privately held
385 (388)	**Tippin's Restaurants** Overland Park, Kan.	FS family dining	34.0 (30.5)	11.5	20 (17)	17.6	2,400	2/91	Privately held
386 (384)	**Flik International** Mamaroneck, N.Y.	Contract mgmt.	34.0** (31.0**)	9.7	66 (70)	−5.7	NA	6/91	Privately held
387 (389)	**La Petite Boulangerie** Park City, Utah	FF sweets	33.9* (30.8*)	10.1	113* (117*)	−3.4	NA	12/90	PC: Mrs. Fields Inc.
388 (—)	**Cooker Restaurants** Columbus, Ohio	FS dinner houses	33.7 (—)	—	12 (—)	—	3,200	12/90	Public/OTC
389 (321)	**Hillsborough County School Board** Tampa, Fla.	Schools	33.6†** (40.8£†**)	−17.6	149 (149)	0.0	NA	12/90	—
390 (379)	**The Hilltop Steakhouse** Saugus, Mass.	FS steakhouses	33.3* (32.1)	3.7	2 (2)	0.0	NA	12/90	Privately held
391 (365)	**The Original Seafood Shanty** Bensalem, Pa.	FS seafood	33.0 (35.0)	−5.7	14 (14)	0.0	2,800	9/90	Privately held
392 (376)	**Texas Dept. of Mental Health & Mental Retardation,** Austin, Texas	Institutions	33.0† (32.8†)	0.6	27 (27)	0.0	NA	8/90	—
393 (367)	**CVI Service Group** Plainfield, N.J.	Contract mgmt.	32.5† (34.7†)	−6.3	51 (50)	2.0	NA	12/90	Privately held
394 (383)	**RA Restaurant Services** New York, N.Y.	Contract mgmt.	32.1 (30.0)	7.0	19 (17)	11.8	NA	12/90	PC: Restaurant Associates Corp.
395 (381)	**Arthur Treacher's** Youngstown, Ohio	FF seafood	32.0 (32.0)	0.0	97 (97)	0.0	320	12/90	Privately held
396 (382)	**Blue Ribbon Services** Philadelphia, Pa.	Contract mgmt.	32.0 (30.0†)	6.7	68 (65)	4.6	NA	12/90	Privately held
397 (—)	**Flying J Travel Plazas** Brigham City, Utah	Retail	32.0 (—)	—	45 (—)	—	1,000	12/90	PC: Conoco
398 (380)	**Royal Fork Buffet Restaurants** Boise, Idaho	Cafeterias	32.0 (32.0)	0.0	20 (18)	11.1	1,500	12/90	Privately held
399 (—)	**Schwartz Bros. Restaurants** Bellevue, Wash.	FS dinner houses	32.0 (—)	—	15 (—)	—	NA	12/90	Privately held
400 (358)	**Sisters Chicken & Biscuits** Rocky River, Ohio	FF chicken	32.0 (36.0)	−11.1	40 (61)	−34.4	NA	12/90	PC: Sis Corp.

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400: HIGHLIGHTS

1. **McDONALD'S** has slashed U.S. menu prices and building costs in an effort to recapture market share. Its marketing efforts focus on value, variety, healthfulness and the environment. Still, foreign units account for a disproportionate share of growth and revenues.

2. **BURGER KING** bagged "Break the Rules" ad campaign and marketing exec Gary Langstaff, and named former Trusthouse Forte exec Barry Conrad to shepherd chain's 4,500 franchised restaurants.

3. **KENTUCKY FRIED CHICKEN** changed its name and logo to KFC to downplay fried food. '90 saw opening of domestic unit No. 5,000 and buyback of franchisee Collins Foods' 209 domestic units.

4. **PIZZA HUT** keeps building its delivery business—3,167 of chain's 8,040 units offer delivery. Early '91 saw its first national network ads touting delivery and slamming Domino's in the process.

5. **HARDEE'S** grappled with the merger of 648-unit Roy Rogers. The chain has converted about 500 Roy's units to Hardee's and added bone-in chicken and other items from Roy's menu to Hardee's units. Bill Prather succeeded Jack Laughery as CEO; Michael Simpson named exec v.p. marketing.

6. **WENDY'S** continues to recapture market share in the burger segment. Its strategy includes the sale of company units to finance upgrades in underperforming outlets, the implementation of a permanent value menu and the use of higher-priced limited-time menu items.

8. **MARRIOTT MANAGEMENT SERVICES** reorganized along "product lines" and changed its name. College accounts now use All-in-One debit card to pay for meals, gain entry to dorms and use vending machines.

9. **DOMINO'S PIZZA** is no longer for sale, says founder Tom Monaghan. Chain opened its first free-standing unit and hired a new ad agency (Grey, New York) to combat Pizza Hut's aggressive delivery stance.

10. **TACO BELL'S** value menu forced McDonald's and others to cut their prices—and raised Taco Bell's operating profits 108% for the first quarter of 1991. Company opened drive-thru-only test unit, modeled after '90 purchase Hot 'N Now, near headquarters.

11. **DAIRY QUEEN** signed a six-state conversion and territorial franchise agreement in the Southeast with 140-unit Louisville, Ky.-based Druther's International. The deal calls for the immediate conversion of 100 Druther's units to Dairy Queen.

13. **RED LOBSTER** mimics sister concept The Olive Garden and adds value to entrees with hot garlic cheese bread and Caesar salad. Lunch specials and specials based on good seafood buys also lure customers.

15. **DENNY'S** launched its "Denny's Til Dawn" menu in 1990 to boost late-night business. It now gives guests a free meal on their birthdays. And it upgraded a 10-minute service guarantee for breakfast and lunch from promotion to permanent strategy.

16. **ARBY'S** lost yet another leader—Frank Belatti—and is in the process of moving to Miami from Atlanta. Early '91 purchase of Daddy-O's drive-thru chain added another growth vehicle for franchisees.

18. **LITTLE CAESARS** went off-premises with its agreement to open 400 stores in new and remodeled K mart outlets. Company will open 650 new stores this year.

19. **CANTEEN** has moved its base of operations from Chicago to the headquarters of parent company TW Services in Spartanburg, S.C., as part of a companywide centralization program. Canteen has also cut more than 300 jobs, resulting in a savings of about $17 million.

20. **MARRIOTT LODGING DIVISION** has scrapped new projects because it is unable to sell properties. Cutbacks and delays caused its net income to plummet 73% year-over-year in 1990 to $47 million. Still, lodging sales rose 11% and company F&B sales gained 6%.

22. **HILTON'S** occupancy rate fell to 68% in 1990, marking a three-year low. Dismal property sales forced Hilton to slash its budget for new hotel development. And oversupply in the industry has prevented it from hiking room rates.

23. **SUBWAY** keeps expanding. 1,200 units are planned for '91. Its goal is 8,000 stores by 1995. New Cajun Joe's chicken concept offers expansion vehicle for current Subway franchisees.

24. **SERVICE AMERICA** is focusing on teaming with national brands. The company has cut 1,500 jobs. It reached an agreement to restructure LBO debt and reorganized along lines of business. Company also nabbed contract for U.S. House of Representatives in '90.

26. **SHONEY'S RESTAURANTS** named Jim Arnett president (replacing Gary Spoleta). Arby's franchisee Lunan bought 26 Wag's in Chicago from Marriott, and plans to convert them to Shoney's.

29. **SIZZLER** is fine-tuning its Buffet Court & Grill scatterbar concept. The Buffet Court has lifted food and labor costs, and its low prices have pared the chain's average check to $7.40 from $7.60 last year. Following the sale of its U.S. KFC franchises to PepsiCo, Collins Foods International bought the one-third of Sizzler it did not own.

32. **HOLIDAY INN HOTELS** moved to Atlanta and set up three regional offices: Brussels for Europe, the Middle East and Africa; Hong Kong for Asia and the Pacific Rim; and Memphis for the United States. Parent company Bass PLC says it is cutting the chain's payroll 38%.

34. **CHOICE HOTELS** changed name from Quality Intl. and bought Rodeway, Econo-Lodge and Friendship chains in

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400: HIGHLIGHTS

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'90. Other brands: Comfort Inns, Quality Inns, Sleep Inns, Clarion and Carriage House Inns.

35. **7-ELEVEN** parent Southland Corp. left bankruptcy court with a deal that gave 70% of the company to Japanese partners Ito-Yokado Co. and Seven-Eleven Japan Co. for $430 million in cash. Bondholders settled for 25% of Southland's stock. The founding Thompson family saw its stake shrink to 5%, half of which bondholders have options to buy.

37. **BASKIN-ROBBINS** franchisees are experimenting with catering, drive-thrus. Chain has added fat-free ice cream that is made with artificial fat. Price promos push novelties, take-home quarts. The chain also purchased 31-unit Gelato Classico.

40. **ARMY & AIR FORCE EXCHANGE SERVICE** is remodeling older facilities, upgrading training programs and pushing food-carts; for instance, "Frank's Franks."

41. **MORRISON'S CUSTOM MANAGEMENT** introduced its "Vision 2000" human resources plan to shore up labor problems. Company opened City Events satellite kitchen in L.A. It also plans marketing blitz for health care and acquisition of a small company this year.

42. **CARL'S JR.** has shifted its strategy to emphasize expansion by franchising. It has said it will sell 57 company-owned units to franchisees over the next two years. It plans to boost franchises to 40% from 23% of its system by 1995.

43. **POPEYES** parent company A. Copeland Enterprises, saddled with debt from its 1989 purchase of the Church's fried-chicken chain, was forced into bankruptcy court this year by creditors. A restructuring plan reportedly is in the works.

50. **WALT DISNEY** plans to open "Wescot Center"—Epcot West—in Anaheim, Calif., this year. The first stage of Euro Disney will open outside Paris this fall, and will be completed by next April. The company is having a bad year in its theme parks and movies, which has prompted analysts to slash earnings estimates for the year.

52. **OGDEN SERVICES** signed contract for complete foodservice at Miami Intl. Airport and Target Center, Minneapolis. It entered a 50% joint venture with Seattle-based Universal Services for remote-site accounts.

55. **CHI-CHI'S** is expanding to smaller towns with 6,000-sq.-ft. building. In 1990, the chain built its first unit in Germany. Mike Fiori left as COO in early '91.

56. **SONIC** went public with an over-the-counter stock offering this year. In its prospectus, the company estimated its net proceeds at about $29 million. It said it would use the funds to repay a $17 million loan and retire $7.3 million in subordinated debt. The remainder was to be used as working capital.

62. **CHILI'S GRILL & BAR** opened 37 units in 1990, bringing the chain to 246 restaurants. It plans to have an additional 33 to 35 stores open by year's end. The casual chain's parent company, formerly Chili's Inc., has changed its name to Brinker Intl.

63. **SKY CHEFS** was forced both to close its Atlanta kitchen and to cut more than 900 jobs when Eastern Airlines shut down last year. Since then, the company has trimmed at least 100 more positions. Annual sales fell 7% in 1990 to about $386 million.

67. **BOB EVANS FARMS** has launched a new concept, Bob Evans General Stores, that combines a restaurant, bakery and gift shop. The units, which feature more seats and a broader menu than traditional Bob Evans units, are designed for high-traffic areas near amusement parks and other tourist destinations.

69. **TCBY's** average store sales slid about 11% and its earnings plunged 92% in its first quarter, deepening the system's problems. The continued declines have sparked widespread franchisee unrest and a class-action suit by investors. This year, the chain plans to open fewer than 70 units worldwide, down from 265 in 1990 and 400 in 1989.

70. **UNITED AIRLINES** has 600 new planes on order that sport high-tech galleys. It is experimenting with an on-board trash compactor.

71. **RYAN'S FAMILY STEAK HOUSES** has developed a new restaurant that cuts building costs by $300,000 (to about $1.8 million) and requires less land. The prototypes feature downsized kitchens, but lose no seats. Ryan's began accepting credit cards in 1990 and hopes to introduce the program systemwide this year.

72. **K MART** rapidly is rolling out its Eatery Express concept. It features grilled chicken and burgers. About 500 are scheduled for this year. The chain plans to open 2,500 by 1995. It has also agreed to open 400 Little Caesars outlets in its stores.

74. **NEW YORK CITY BOARD OF EDUCATION** is testing "Universal Meals"—all kids eat free, regardless of eligibility. Board says focus for '91 is to maintain quality within fiscal restraints.

82. **CHICK-FIL-A** is accelerating development of its free-standing drive-thru units to decrease dependence on mall/retail traffic. It plans to open 10 new mall units and 11 free-standing outlets during 1991.

87. **QUINCY'S FAMILY STEAKHOUSES** saw profits climb to about $29 million in 1990, a 28% gain over 1989, on a 7% increase in sales to about $282 million. The chain introduced a new ad campaign, and is adding a new weekend breakfast bar in all its units.

103. **APPLEBEE'S NEIGHBORHOOD GRILL & BAR** returned to profitability in 1990, freed from debt by the proceeds of a 1989 initial public stock offering. Net income for 1990 exceeded $2 million and restaurant revenue grew 23% over prior-year figures.

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400: HIGHLIGHTS

continued from page 86

117. TRUSTHOUSE FORTE FOOD SERVICES paid $2.3 million for Epoch Food Service, a Sunnyvale, Calif.-based dining management firm with sales of about $14 million. Epoch operates more than 90 vending and foodservice facilities in California.

123. EL POLLO LOCO's average store sales fell by more than 10% year over year in 1990 to $906,000. Traffic dropped by 12%, and the chain's profits fell 30% to $8.7 million. It blames "unprecedented levels of discounting" by competitors for the downturn.

126. CARVEL, under new CEO Steven Fellingham, has undertaken a repositioning that spotlights its ice-cream cakes. The plan includes store remodeling and a new name: Carvel Ice Cream Bakery.

128. CRACKER BARREL OLD COUNTRY STORE earlier this year backed off its policy against hiring homosexuals due to media attention and the anger of gay-rights activists. But it says homosexuals still might be barred from work in markets where their presence might be "disruptive."

129. GRANDY'S offers employees free meals (replacing 50% discounted meals) in an effort to keep them happy. All 201 stores started accepting credit cards this year. Training program that gives servers decision-making power is in full force.

131. COUNTRY KITCHEN's effort to reposition as a contemporary family-style restaurant concept includes a new menu and a new store-identification program. In test: an incentive program for its unit-level employees that allows them to trade bonus points for catalog merchandise.

132. RALLY'S has acquired the 42-unit Snapp's Drive-Thru chain for conversion. As part of the agreement, Snapp's management will open 60 Rally's outlets within three and a half years. Rally's has also signed a letter of intent to purchase the 19-unit Maxie's drive-thru system.

135. FUDDRUCKERS has about 10 new units slated to open in 1991. Last year, Fuddruckers canceled a license agreement for Brazil and entered a contract for Turkey. It also bought a 36% stake in six-unit franchisee Atlantic Restaurant Ventures. It manages Atlantic's operations for a fee equal to 2% of revenues.

155. CHART HOUSE reportedly is shopping for a midscale concept to expand. Its high average check, about $27, has left it vulnerable to trading down by consumers, while its requirement for specialty locations has made unit growth less predictable than it would like.

173. PIZZERIA UNO suffered a 7% decline in same-store sales in its second quarter ended in March. Average sales per company restaurant slid 10%. The chain is concentrated in the Northeast, where a weak economy has taken its toll.

177. JB'S RESTAURANTS has signed a development agreement with Sbarro. Its contract calls for the opening of 19 Sbarro restaurants over the next three years. Several are already open. It also bought six Plush Pippin Restaurants in Portland and Seattle.

180. STEAK 'N SHAKE parent company Consolidated Products recapitalized in 1990. Its new strategy includes slowing growth of company stores, funding new units through sale-leaseback deals, and expansion via franchising. It plans to open six to eight franchises per year.

193. BUSCH ENTERTAINMENT said it will cut staff and attractions at it Cypress Gardens theme park in Winter Haven, Fla., because of declining attendance. Attendance slipped from 1.4 million in 1987 to less than 900,000 in 1990.

229. THE LEVY RESTAURANTS closed Eurasia, its Pan-Asian restaurant in Chicago, dropped an independent delivery service and started its own, Chef's Express. The company also nabbed the foodservice contract for Chicago's McCormick Place convention center earlier this year, beating out incumbent ARA.

240. AU BON PAIN will make its first public offering of 2 million shares in hopes of raising $16 million to pay down debt. The sandwich chain plans an expansion blitz into Manhattan, opening stores in office buildings and on out-of-the-way streets, and will open a store in the Port Authority Bus Terminal.

246. TARGET has developed a new prototype food court in two sizes. The larger courts offer an American grill, yogurt, pizza bakery and Mexican stores. The smaller courts have the American Grill, a yogurt/snack shop and a bakery/pizza store.

256. DAMON'S agreed to be acquired this year by Columbus, Ohio-based licensee Damon Management. Under the agreement, chairman and founder Irv Rossman retains ownership of five units.

277. HARD ROCK CAFE and Promus, parent of Harrah's Casino Hotels, will build a rock-theme casino in Las Vegas. The Hard Rock Hotel & Casino is slated to open in 1993 and will be aimed at a young, affluent clientele.

298. NORDSTROM surprised analysts earlier this year by naming five co-presidents, none of whom are related to the founding Nordstrom family. Chain opened its first store in the Midwest, in Oak Brook, Ill., a suburb of Chicago, and plans three more East Coast stores this year.

310. CASEY'S GENERAL STORE now offers fringe benefits and paid vacations to part-time employees to keep turnover down. C-store chain stopped six-month test of home delivery because it did little to boost sales.

353. MIAMI SUBS is now headed by former Burger King president C. Ronald Petty, who plans to concentrate on rapid expansion of the Miami Subs concept, including the conversion of its 17 Mr. Submarine units to Miami Subs. Parent company QSR has sold its Taco Viva operations and changed its name to Miami Subs Corp. to reflect its new emphasis. **R&T**

400: GROWTH

SPOTLIGHT

RALLY'S RULES THE DRIVE-THRUS, BUT COMPETITION IS HEATING UP

Even without its recent acquisitions of competitors, **Rally's** was the fastest growing fast-food company in this year's 400. The Louisville, Ky.-based chain posted a 73.4% increase in sales.

Part of the reason is the menu, only nine items long and deliverable in 40 seconds, Rally's executives say.

"As the large fast-food chains diversified and extended their menus over the past 10 years, they left a niche wide open for simple concepts like Rally's," says Bruce Ley, executive vice president of marketing. "The food is good, hot, fast and inexpensive, and that's what our customers are looking for."

The 1991 *R&I* Choice in Chains survey backs up the claim—Rally's ranked No. 1 among burger chains for good value and good service.

The attractiveness of the drive-thru-only niche is not lost on other large fast-food chains. McDonald's and Wendy's are testing double-drive-thru concepts in several markets. And Taco Bell's acquisition of the 77-unit Hot 'N Now double-drive-thru burger chain in February suggests that competition is heating up.

In fact, Rally's itself has been on a shopping spree. Earlier this year, the chain bought Columbus, Ohio-based Snapp's, a 42-unit drive-thru-only chain, and Tallahassee, Fla.-based Maxie's of America, which operates 19 drive-thru-only outlets. (For details on both acquisitions, see "400: Deals.") When all are converted to Rally's, the chain will boast more than 330 restaurants. Further acquisitions of small double-drive-thru chains are likely, according to company officials.

Rally's has units in 22 states, with the heaviest concentration in Kentucky, Louisiana, Alabama, Indiana, Ohio, Michigan and Florida. Acquisition targets and new-store openings will likely happen in those 22 states. "We'd like to grow where we already have a strong presence," says Wayne Albritton, president and chief operating officer. "For example, the Maxie's transaction supports our strategic thrust into the northern Florida market."

In addition to its acquisitions, Rally's plans to open more company-owned restaurants, especially in the Southern region. For example, the 20 new units planned for Phoenix are company owned. About 35% of current units are owned by the chain.

While the number of Rally's units will grow, the number of items on the menu will not, Albritton says. "We're surprised by the size of the menus in some of our competitors' attempts at double-drive-thru concepts," he says. "If and when we decide to add a new menu item, we'll decide what comes off at the same time. We have to avoid that menu paralysis that occurs when the menu board takes so long to read."

—Beth Lorenzini

RANKINGS

TOP 20 GROWTH LEADERS BY SALES

1.	Rally's Hamburgers	73.4%
2.	Applebee's Neighborhood Grill & Bar	58.0
3.	Pizzeria Uno	50.3
4.	Freshens Yogurt	50.0
5.	L&N Seafood Grill	49.2
6.	I Can't Believe It's Yogurt	45.7
7.	O'Charley's	44.2
8.	The Olive Garden	38.3
9.	Subway	37.5
10.	Prufrock	32.9
11.	Skyline Chili	31.6
12.	Spectrum	31.1
13.	Cracker Barrel Old Country Store	30.4
14.	LaRosa's	30.3
15.	Caterair International	29.
16.	Spaghetti Warehouse	28.2
17.	Nordstrom	27.4
18.	Sbarro	27.0
19.	T.G.I. Friday's	26.5
20.	Ruby Tuesday	25.9

Based on available data from 1991 *R&I* 400 Survey.

EXPANSION PLANS

SUBWAY SAYS 8,000 UNITS BY 1995

Subway's pledge for 8,000 units by 1995 certainly is no secret—it's boldly printed across every sheet of the chain's sandwich wrapping. At press time, the chain was up to about 5,506 units. With an average of 25 stores opening a week, simple math shows that goal could be reached by 1994, a year ahead of schedule. Subway isn't the only chain to boast a unit goal.

Domino's: 10,000 units worldwide by the year 2000. A distinct possibility, considering the pizza chain went from 500 to about 5,600 units over the past 10 years.

Shoney's: The push is on to make new franchise agreements for all of Shoney's Inc.'s concepts. The company expects to add 105 units this year, and 140 during 1992.

Wendy's: Current goal is 5,000 units—with no set time limit. That means 1,200 to go. But this year's 150 projected openings will double last year's rate, and 200 units a year is the goal for subsequent years.

—B.L.

RANKINGS

TOP 20 GROWTH LEADERS BY UNITS

1.	I Can't Believe It's Yogurt	47.8%
2.	Freshens Yogurt	41.8
3.	L&N Seafood Grill	41.7
4.	Applebee's Neighborhood Grill & Bar	41.6
5.	Pizzeria Uno	34.9
6.	Subway	31.5
7.	Ruby Tuesday	31.0
8.	Rally's Hamburgers	30.7
9.	The Olive Garden	29.8
10.	El Pollo Loco	27.6
11.	Chili's	26.8
12.	United Airlines	21.4
13.	Taco Time	20.7
14.	Cracker Barrel Old Country Store	20.5
15.	Old Country Buffets	20.5
16.	Cooker Restaurants	20.0
17.	Cinnabon	19.4
18.	O'Charley's	19.2
19.	Sbarro	19.0
20.	Michigan State University	18.9

Based on available data from 1991 *R&I* 400 Survey.

400: DEALS

SPOTLIGHT

OPERATORS BUY MARKET SHARE

Many companies have used acquisitions to enter new markets and increase share.

JB's Restaurants bought six of eight Plush Pippin Restaurants in Seattle and Portland. . . . **Dairy Queen** signed a territorial franchise and conversion agreement with 140-unit **Druther's International**. . . . **Trusthouse Forte Food Services** bought Epoch Food Service for $2.3 million. . . . **Bresler's Ice Cream & Yogurt** scooped up the 42 Larry's Ice Cream stores. . . . **I Can't Believe It's Yogurt** bought the I Love Yogurt chain. . . . **Skipper's** quick-service seafood chain bought 20 **Long John Silver's Seafood Shoppes** in Denver and Colorado Springs for $5.1 million. . . . **Taco Tico** signed an agreement to manage the **Del Taco** chain with plans to buy it from W.R. Grace. . . . **Shoney's** cracked the Chicago market through a development agreement with Lunan Family Restaurants, an Arby's franchisee. As part of the deal, LFR bought 29 Chicago-area Wag's restaurants from **Marriott Family Restaurants.**

SERVANTS OF DEBT

The recession hit companies with high debt loads especially hard. Bankrupt **7-Eleven** parent Southland Corp. sold a 70% stake to its Japanese partners, Ito-Yokado Co. and Seven-Eleven Japan Co. for $430 million. . . . Similarly, Sis Corp. sold 40 of its 60 **Sisters Chicken & Biscuits** units to Robert Wyman, a Cleveland restaurateur, as part of its Chapter 11 restructuring. . . . Likewise, **Rax Restaurants** sold a 78% stake in the chain for $7 million to a group led by new chairman Donald A. Karras and CEO Ira Hermann.

OTHER DEALS

Kentucky Fried Chicken bought 209 KFC stores from franchisee Collins Foods International for about 4.9 million PepsiCo common shares, worth about $123 million. Collins in turn bought almost all of the 34% of **Sizzler Restaurants International** that it did not own. . . . **Ogden Services Corp.** formed a 50% joint-venture with Universal Services to provide remote-site feeding. . . . And **Baskin-Robbins** entered the casual Italian market with the purchase of 31-unit Gelato Classico. *—Rajan Chaudhry*

STRATEGIES

CHAINS JOCKEY FOR POSITION IN DRIVE-THRU-ONLY SEGMENT

With their low costs, narrow menus and high volumes, drive-thru-only concepts have drawn the attention of some of the country's biggest chains.

This year, niche leader **Rally's**, Louisville, Ky., swapped 400,000 shares of its common stock for ownership of 42-unit Snapp's Drive-Thru, Columbus, Ohio. Rally's agreed to pay Snapp's owners as much as $2.5 million. The contract included a conversion allowance and an option for Snapp's to buy up to 250,000 Rally's shares at $18 each if Snapp's meets its goal of opening 60 Rally's units within three and a half years. Rally's also signed a letter of intent to acquire Tallahassee, Fla.-based Maxie's double-drive-thru hamburger restaurants for 280,000 shares of Rally's stock. Maxie's operates 19 units, 11 of which are franchised.

PepsiCo's **Taco Bell** Mexican fast-food chain, Irvine, Calif., bought 77-unit Hot 'N Now, Kalamazoo, Mich., from founder William Van Domelen. Taco Bell reportedly paid more than $15 million in PepsiCo stock. The Hot 'N Now units, which gross about $500,000 per year, offer 14 menu items and feature a 39-cent hamburger.

Arby's, Atlanta, also has entered the double-drive-thru business. Last year, it bought the five-unit Daddy-O's Express chain from Columbus, Ohio-based G.D. Ritzy's. Arby's says Daddy-O's will provide its franchisees with an alternative vehicle for expansion. *—R.C.*

CLOSING TIME

HORN & HARDART CHECKS OUT

Over the past year, Horn & Hardart, a historic name in the restaurant industry, has completed the sale of all its major restaurant holdings. The Las Vegas-based company says it will concentrate on its Hanover Cos. mail-order catalog business. Hanover Cos.' 22 catalogs generate annual sales in excess of $500 million.

- In August, the company sold its 152-unit **Bojangles' Chicken & Biscuits** chain in a deal valued at about $24 million to Sienna Holdings. The buyout group included new CEO Richard Campbell and CFO Joseph Santaniello. Both are former KFC executives.
- Horn & Hardart sold 22 **Arby's** franchises in south Florida back to the franchisor for $5 million. It also sold 10 **Burger King** franchises.
- Earlier this year, the company sold **International King's Table**, an 83-unit buffet-style chain operating nine western states, to Heller International. Terms of the deal were not disclosed.
- Finally, Horn & Hardart closed its last Automat restaurant. Developed in 1902, the coin-operated vending concept peaked at more than 40 units, which served more than 1 million meals a day in the 1940s and 1950s. The Smithsonian Institution in Washington is the last place customers can view the chrome and glass wall of an Automat. *—R.C.*

HORN & HARDART

For information Entertainment Publ. circle 33→

400: FINANCE

ANNUAL REPORTS

TOUGH YEAR HOLDS TURNAROUND FOR WENDY'S, TROUBLE FOR OTHERS

Wendy's International looks to be on the way to a turnaround. The 3,700-store chain registered a 29% increase in net income for 1990, compared to 1989. (Chairman and CEO James Near said that would have been a 56% profit increase except for a tax accounting benefit in 1989.)

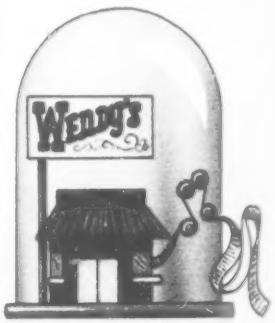
And analysts expect more good things from the company. First-quarter '91 results showed a 3.3% rise in systemwide sales. Equally important is a 6.2% increase in average net sales per company store for the quarter, suggesting that the chain's two-year-old Super Value Menu and the high-visibility ad campaign featuring Dave Thomas are taking hold.

The company is so attractive to investors these days that proceeds from a recent $70 million bond offering will enable Wendy's to retire some of its long-term debt and to finance new company and franchised stores.

Midscale casual chains fared well, too. **Chili's** parent Brinker International saw sales climb 25% and net income increase 71% in the tough first three months of 1991. And **Cracker Barrel Old Country Store** saw same-store AUV growth of 9.6% in the third quarter of fiscal 1991.

In general, more restaurant companies are entering the stock market as a way to raise capital. **Au Bon Pain** has announced it will make an initial public offering of 2 million common shares, hoping to raise $16 to $18 million to pay down debt. **Sonic** made its first public offering this year, and hopes to raise $29 million to pay off a loan, pay down subordinated debt and finance expansion.

Other companies are trying other ways to get a handle on their debt loads. TW Holdings, parent of giant TW Services (and thus grandparent to **Denny's**, **El Pollo Loco**, **Canteen**, **Quincy's** and **Spartan Foods**) holds about $2.4 billion in debt now, thanks to a buyout in late '89 by Coniston Partners. The company lost $67.8 million for fiscal 1990, 18% greater than the loss posted in fiscal '89. Revenues rose 6% for the year. At press time, TW Holdings was trying to refinance portions of that debt, and examining alternative financing arrangements such as a 5-million share stock swap if loan guarantors do not agree.



Some 400 companies are taking the quick route to debt freedom—the one that runs through Chapter 11. A. Copeland Enterprises, parent to the **Popeyes** and **Church's** fried chicken chains, is the largest recent example (see Second Look feature in this issue); but **Circle K**, **Prime Management** and **Pioneer Chicken** also filed for bankruptcy protection—Pioneer Chicken for the second time since 1987. *—B.Q.*

PROFITS

EARNINGS SWING HIGH, SWING LOW

Sales aren't the whole story, of course; profits count too. Here's a snapshot of quarterly profit performance at some of the 400's largest public foodservice-only companies, for the most recent quarter ending before May 15, 1991.

(Increase from same Q 1990)

Wendy's Intl.	98%
Cracker Barrel	86
Chili's	71
Morrison Inc.	51
Vicorp Restaurants	50
Bob Evans Farms	47
Sbarro	32
Rally's	19
Buffets Inc. (Old Country Buffets)	13
McDonald's	7
Intl. Dairy Queen	7
Luby's	4
TCBY	–94

Source: McGraw-Hill Inc.

SPEEDY REORGANIZATION A SIGN OF THE TIMES FOR 7-ELEVEN

It's not the kind of news most 400 companies hope to make, but The Southland Corp., parent to the **7-Eleven** c-store chain, broke new business ground with its "prepackaged" bankruptcy filing, a new, accelerated Chapter 11 proceeding that requires the approval of 51% of the company's creditors holding two-thirds of its debt. In Southland's case, the debt amounted to $4.9 billion, and the bankruptcy lasted only four months instead of several years. That kind of speed was a condition for the sale of 70% of Southland's common stock to Ito-Yokado Ltd. and 7-Eleven's Japanese licensee in return for $430 million in cash. Meanwhile, sensing opportunity at a moment when value menus and speedy drive-thru units are hot, 7-Eleven has taken its fight for fast-food customers to the airwaves with TV ads spotlighting its hot dogs, sandwiches and soda. The company figures its quick service and low prices can capture a share of the traditional takeout-meal market. Airing in 10 U.S. markets, the commercials spotlight two 7-Eleven franchisees and the ready-to-eat foods they sell. With one McDonald's franchisee currently selling groceries, there might be more 7-Eleven foodservice soon. After all, the Japanese outlets owned by Ito-Yokado sell sushi and dumplings. *—B.Q.*

THE SOUTHLAND CORPORATION

OWNERSHIP

THE JOYS OF PARENTHOOD

Here's a glimpse of the biggest family trees in the *R&I* 400 forest in 1991:

□ **PepsiCo** is by far the largest of these; its components, **Kentucky Fried Chicken**, **Pizza Hut** and **Taco Bell**, posted total systemwide sales of $13.1 billion in '90.

□ **Marriott Corp.**'s contract management, family dining and lodging divisions amassed systemwide foodservice sales of $4.3 billion*.

□ The main restaurant concepts of **General Mills**—**Red Lobster** and **The Olive Garden**—posted systemwide sales of $2.2 billion*.

□ **Shoney's Inc.**, parent to **Shoney's**, **Lee's Country Chicken** and **Captain D's**, saw systemwide sales of $1.5 billion.

**R&I estimate*

400: SITES

LOCATION, LOCATION, LOCATION

FAST-FOOD, FULL-SERVICE FIT CONCEPTS INTO UNUSUAL PLACES

"Hit 'em where they aren't" might be the chain siting strategy for the '90s: Put your goods in new locations and deliver them in a way the competition will find hard to match.

Many of the biggest concepts are trying to catch the drive-thru-only wave. Later this year, **Taco Bell** will test its first such units since its purchase of the Hot N' Now burger chain. (See cover story.) But **McDonald's**—where drive-thru sales account for more than half of all domestic store volumes—now has two McDonald's Express outlets up and running, and hopes to open 18 more of the drive-thru-only units by the end of the year. **Burger King**, **Wendy's** and **KFC** also have drive-thru-only units in test.

But smaller, stripped-down units are only one traffic-building strategy in test. Many of the same chains are also going the other way, providing *more* amenities to attract customers.

Last summer, home-delivery specialist **Domino's** began rolling its Pizza Pizzazz prototype, designed for malls, airports and other sites with shared seating areas. Burger King is trying dinner-time table service at its 900 company stores, and two-way closed-circuit video on menu boards at drive-thru windows in Miami and three other cities. Meanwhile, McDonald's is putting real-live employees at the drive-thru menu boards (customers talk to the employee, not the squawk box), and **Pizza Hut** is testing table-top television, meant to entertain diners.

A falloff in retail sales has not dampened some companies's enthusiasm for shopping malls. For example, **Blimpie** has launched the Blimpie Fresherie, a gourmet sandwich-and-salad version of its sub stores that is designed for malls.

Soft-serve ice cream power **Carvel** will augment its low-cost, no-frills units with a range of new outlet designs, from eat-in stores to mobile kiosks. The stores also will retool with longer display cases, to emphasize specialty cake sales.

Some large chains continue to downsize units to make entering smaller markets cost-efficient: **Red Lobster** and **Wyatt's Cafeterias** both came out with scaled-down prototypes in the last year. But McDonald's President and COO Ed Rensi described as "disappointing" the sales of the first Golden Arch Cafe, a full-service, full-menu restaurant intended for rural areas. Rensi says any future Cafes will be built in towns larger than Hartsville, Tenn. (population 2,600).

The top burger company hopes to do better at paring down its average $1.5 million turn-key cost to U.S. franchisees, searching for $200,000 in savings by such measures as using less brick and more glass. *—B.Q.*

MORE CHAINS JOIN FORCES

Take one concept and add another. Have you doubled a customer's desire to walk through your door?

Several members of this year's *R&I* 400 hope so. In the largest doubling, 400 **K mart** stores will begin selling **Little Caesars** pizza, salads and subs. The units, staffed by K mart employees trained by Little Caesars, will have seating.

Winchell's Donut House has repositioned two of its units as "Winchell's n' More," selling subs and brand-name frozen yogurt to help the chain hike its after-breakfast traffic; more are planned. And **JB's Restaurants** is retrofitting Baker's Corner in-store bakeries into its 135 units.

—B.Q.

BRANCHING OUT

PIZZA HUT, ARA GO OFF PREMISES

This year's 400 companies went further than ever from the back of the house to get their product to the consumer. In the battle for market share, "alternate distribution" channels are now vital.

Schools have become a primary target for some of the top chain players, particularly those who can present a good health profile. Both **Pizza Hut** and **Domino's** have made substantial inroads into the educational market and plan to do much more of the same. **Subway**, too, has gone back to school, with a test project in which local units ship prewrapped subs to four Colorado high schools.

Pizza Hut also has had success with expansion of its kiosk system, not only in colleges but in sports arenas, including Dodger Stadium in Los Angeles. And **ARA Services**, which offers its own pizza module, has agreed to install Pizza Hut kiosks in an unspecified number of its institutional accounts. The units will sell 7-inch personal pan pizzas; ARA's Itza Pizza brand sells pizza by the slice.

Non-pizza delivery still holds potential for those who can do it right, and still eludes the largest chains. Both **KFC** and **Hardee's** have tested home delivery; neither has immediate plans to widen those tests. Several individual McDonald's operators have launched successful delivery.

And at least one concept has ventured beyond the front of the house into the customer's kitchen. **Pizzeria Uno** has begun offering take-and-bake pies, assembled to order and sold unbaked, to be finished at home. *—B.Q.*

REAL ESTATE WINDFALLS

Old Country Buffets managed to find 20% unit growth and 25.8% sales growth in an environment generally hostile to buffet concepts by shopping for real estate bargains among strip malls. In return for becoming an anchor in strip malls, the chain seeks lower rent from developers anxious to fill space. Famous Restaurants, parent of the Garcia's Mexican Restaurant chain, said it too has won rent cuts from harried landlords. *—B.Q.*

400: OPERATIONS

RESTRUCTURING

COMPANIES REORGANIZE TO TRIM FAT, DECENTRALIZE CONTROL

Call it streamlining, right sizing, realigning or reorganizing. Over the past year, foodservice companies shuffled and discarded management employees as if they were cards in a fierce poker game. The objectives: to cut costs and to reduce the communication gap between the corporate suite and the unit level.

Marriott, hurt by poor real estate and financial markets, made the most headlines with its reorganization plans. In order to conserve cash and pay down its $3.5 billion debt, the company is cutting 1,500 management jobs and is in the process of selling off its family restaurants—approximately 200 have been sold to date. The Washington-based company also has halted construction of several hotels it had planned.

In addition, Marriott has realigned its contract-feeding division along lines of business, a move it says has helped eliminate duplicate jobs and improve service to contract clients. The corporation has divided its two contract divisions—Business and Facilities, and Education and Healthcare—into five groups and has renamed that arm Management Services.

Marriott's reshuffling also includes a radical shift to a decentralized management structure to trim overhead and encourage decision making at the unit level.

Even companies not saddled with debt are cutting back to stay competitive.

Pizza Hut cut about 125 district managers and 50 support staffers with the goal of bringing senior management closer to the customer. At the same time, the PepsiCo subsidiary wants to instill an entrepreneurial feeling in regional and unit managers by broadening their authority and responsibility, according to company spokesman Roger Rydell.

Pizza Hut's new market manager becomes a "mini-CEO" with total charge for business in a particular market.

At the heart of this reorganization is a new post—that of market manager. In the past, as many as five managers would have responsibility for distinct functions within a single market. The market manager, however, becomes a "mini-CEO" with total charge for business in a particular market.

Other companies that have reorganized in the past year include **Burger King**, which closed seven regional offices and eliminated 300 jobs. **Rax** brought in an equity partner and restructured its debt. **Hardee's** cut its headquarters staff by about 12% and will focus on franchising. S&A Restaurant Corp., operator of **Bennigan's** and **Steak & Ale**, also closed regional offices to force field managers into units to pay more attention to guests. *—Jeff Weinstein*

UNIT VOLUME

QUICK SERVICE: TOP 10

1.	McDonald's	$1.6MM
2.	Nathan's Famous Hot Dogs	1.3
3.	White Castle	1.2
4.	Burger King	1.0
5.	Hardee's	940K
6.	Grandy's	911
7.	El Pollo Loco	906
8.	Krystal	860
9.	Wendy's	811
10.	Bojangles'	792

FULL SERVICE: TOP 10

1.	Legal Sea Foods	$6.5MM
2.	Phillips Seafood	5.5
3.	Red Onion	3.4
4.	T.G.I. Friday's	3.4
5.	Cooker Restaurants	3.2
6.	Houlihan's	3.1
7.	The Original Seafood Shanty	2.8
8.	Bobby McGee's	2.8
9.	Spaghetti Warehouse	2.7
10.	The Olive Garden	2.7

Based on available data from 1991 *R&I* 400 Survey.

COUNTRY KITCHEN ARMS OPERATORS WITH LABOR SOLUTIONS

Country Kitchen International, Minneapolis, has developed programs to help its operators increase productivity and profitability.

Through a series of eight regional meetings, the company is introducing PICI (Passion, Intelligence, Compassion, Intensity), a program designed to help improve recruitment of hourly employees. PICI provides operators with a series of interview questions that help indicate whether a potential employee has the PICI traits—traits Country Kitchen thinks will help it achieve "absolute guest satisfaction."

In March, the Minneapolis-based company introduced an awards program for managers and hourly workers who excel.

To improve profitability, Country Kitchen checked hourly scheduling against guest counts to understand how many employees the restaurants need during peak times to provide better, faster service. The result: a new scheduling system that speeds table turns, thus increasing traffic counts, and gives servers more time to suggestive-sell, thus increasing check averages. Vice President of Operations Bob McGurk says the efficiencies can increase sales 15% to 20% during peak hours. *—J.W.*

CHECK AVERAGES

QUICK SERVICE: TOP 10

1.	El Pollo Loco	$7.37
2.	Soup Exchange	6.25
3.	Togo's Eatery	5.50
4.	Mr. Hero/Mr. Philly	5.25
5.	Popeyes	5.06
6.	Lee's Country Chicken	5.00
7.	Arthur Treacher's	4.75
8.	Nathan's Famous Hot Dogs	4.55
9.	Church's Chicken	4.42
10.	Two Pesos	4.28

FULL SERVICE: TOP 10

1.	Hatsuhana	$50.00
2.	Palm Restaurants	46.00
3.	Ruth's Chris Steak House	38.00
4.	Legal Sea Foods	33.00
5.	Rusty Pelican	21.50
6.	Phillips Seafood	20.50
7.	The Pasta House	17.00
8.	Ark Restaurant Corp. (assorted concepts)	15.00
9.	Bobby Rubino's	13.40
10.	L&N Seafood Grill	12.50

Based on available data from 1991 *R&I* 400 Survey.

400: INTERNATIONAL

TRAVEL PLANS

U.S. OPERATORS PACK THEIR BAGS FOR INTERNATIONAL MARKETS

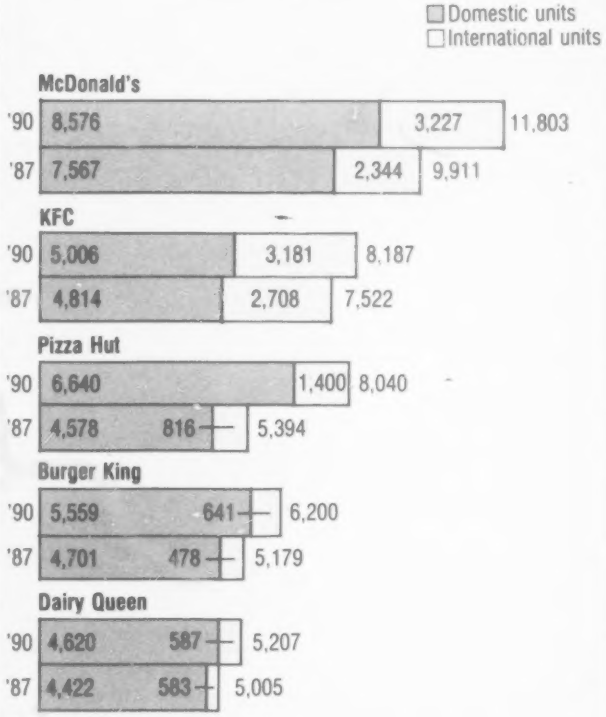
In the past 12 months, both **McDonald's** and **Pizza Hut** have opened their first units in China. McDonald's restaurant, in Shenzhen, is three stories tall and has 500 seats. Pizza Hut's unit, in Beijing, is two stories and 180 seats. Pizza Hut also has joined McDonald's in the Soviet Union. The segment-leading pizza chain has two units in Moscow. . . . **Baskin-Robbins** has teamed with the Soviet Ministry of Trade to build its sixth overseas ice-cream factory in suburban Moscow. The plant, which is slated to open in 1992, will sell 30% of its product for rubles to local stores. The company plans to sell the remainder in hotels for hard currency.

. . . **Wendy's** has signed a development agreement that calls for the opening of at least 10 units in Poland within five and a half years. The stores will be Wendy's first in the Eastern Bloc. . . . **Jack In The Box** has inked a development pact for Mexico. The contract is the chain's first outside the United States. . . . Likewise, **Carl's Jr.** announced plans for a push south of the border. The fast-food burger chain intends to have 15 units open in northern Mexico within 15 years. . . . **Marriott Management Services** and Italian conglomerate Fintermica have launched Marriott Italia S.p.A. to service health-care accounts in Italy. The company also has entered a joint-venture agreement to provide business and institutional contract management in Japan. Marriott's Japanese partners are Sumitomo Corp., a Japanese development company, and Royal Co., which owns more than 500 foodservice operations in Japan, Hawaii and Australia. . . . **Sir Pizza International** has signed a development agreement for Spain that calls for the opening of 277 restaurants in 10 years. . . . **Subway** has signed a letter of intent with Tokyo-based Motegi & Co. to open a minimum of 1,000 stores over the next 10 years. . . . **Canteen** has expanded its licensing contract with Canteen of Japan to include foodservice operations. Previously, the contract covered only vending.

—R.C.

GLOBAL GIANTS

The U.S. chains with the largest presence overseas continue to find opportunities for international expansion.



Source: Company reports

OVERSEAS GROWTH CREATES NEW PROBLEMS AND NEW SOLUTIONS

As foodservice goes global, companies are learning lessons—some valuable and others costly—from their international operations.

At Allied-Lyons PLC, London, executives got a crash course in foreign exchange earlier this year when a rebound in the dollar vs. the pound cost the company $250 million. Allied-Lyons derives about 20% of its annual revenue from its North American operations, which include **Baskin-Robbins** and **Dunkin' Donuts**.

At **Kentucky Fried Chicken**, which operates and franchises almost 3,200 foreign units, experience dealing with diverse cultures abroad is translating into success managing diversity at home. The company strives to match the demographics of its unit-level staff to those of the communities it serves.

In Japan, **Arby's** is building a system of small commissary-fed units, which could have applications in expensive urban markets in the United States.

McDonald's Company Japan has developed a prepaid card system that in tests boosted the average check by 43% to about $7. A McDonald's Japan spokesman said the system might soon debut in the United States.

And **7-Eleven** stands to benefit from a state-of-the-art computer system developed by its Japanese partner. Its inventory control and marketing capabilities have helped the Japanese stores, which average less than half the size of their U.S. counterparts, post average volumes twice as high. *—R.C.*

400: SECOND LOOK

UNDONE DEALS

INTO THE FRYING PAN: COPELAND FORCED INTO BANKRUPTCY

In 1989, Al Copeland Enterprises, operator of the **Popeyes Famous Fried Chicken** chain, purchased **Church's Chicken** for $392 million and became the No. 2 player in the fried chicken segment.

Today, the Jefferson, La.-based company is the midst of a new chapter in its history—Chapter 11—which stands to change its ownership and structure irrevocably.

Over the past year, Copeland continually and fruitlessly has sought to reach settlements with its major creditors. Copeland owes more than $277 million in principal, interest and fees to a bank group led by Canadian Imperial Bank of Commerce, as well as about $150 million in principal and interest on a bridge loan from Merrill Lynch. It had expected to cover the bridge through an offering of junk bonds, but the collapse of the market for the high-yield, high-risk instruments left the company without the means to service its debt.

In 1990, Copeland Enterprises lost $136 million, despite an 11% increase in revenues to $460 million. The loss included a $94.9 million write-down of its investment in Church's. The year before, the company lost $36 million.

In its bankruptcy filing, Copeland listed assets of about $423 million and liabilities of almost $600 million.

At press time, the company had yet to present a plan for reorganization to the court. "We continue to be in discussions with all parties with regard to a restructuring plan, and would have no specific comment until such a plan is filed," says James Wiggins, vice president of corporate communications for creditor Merrill Lynch. Both sides say they are making headway toward an agreement. "The restructuring is going along smoothly. Everything's on schedule," says a spokeswoman for Popeyes.

Any settlement will likely involve a debt-for-equity swap that will leave the chains in the hands of the company's creditors. It's possible that Popeyes and Church's, both of which are still operating, will be split and sold individually. And sources that are a party to the dealings say Chairman Alvin Copeland will likely be replaced. "That's a pretty good bet," says one executive. *—R.C.*

MERGER UPDATE

ROY ROGERS VEXES HARDEE'S

A rough economy and stiff price competition has complicated **Hardee's** assimilation of **Roy Rogers**.

Hardee's purchased the 648-unit Roy Rogers chain from Marriott last April. Since then, it has converted about 500 of the Roy Rogers units to Hardee's, and it has launched a menu that combines what it considers the strongest offerings from each chain. Added to Roy Rogers menu were Hardee's breakfast and its burgers. Meanwhile, about 500 Hardee's restaurants now carry Roy Rogers bone-in chicken and side items, says spokesman Jerry Singer.

Although the melding of the menus resulted in initial sales gains, Hardee's CEO Bill Prather says unit volumes soon slumped as consumers began trading down from the higher priced Roy Rogers chicken to Hardee's burgers. Steep discounting by its competitors forced Hardee's to engage in its own price-cutting tactics, which exacerbated the trend toward trade downs.

As the economy rebounds, analysts say they expect Hardee's to begin realizing the benefits of its acquisition. Hardee's says business is picking up. "With the Gulf War and the merging of Roy Rogers, things took a lot of time and a lot of capital," says Singer, "but we're looking forward to a strong third and fourth quarter." *—R.C.*

TURNAROUNDS

SERVICE AMERICA PLOTS COMEBACK

Since its $500 million leveraged buyout in 1987, **Service America**, the Stamford, Conn.-based vending and contract feeder, has struggled under the burden of debt. But recently it took several significant steps to turn the business around. They include:

- A cut of about 1,500 positions. Service America trimmed management and operating staff 4% to 5%, and it pared headquarters staff 25%. The company also cut many benefits.
- A plan to restructure its debt. The plan would slash current debt by more than $100 million, to about $300 million. To grease the wheels, the company invited creditors to attend business review meetings and to visit clients in the field.
- A realignment of the company to improve both communication and focus.

STEVEN LEIPSNER, CEO

Prior to November, Service America's operations were divided into four geographic zones, each with a president responsible for the vending, manual feeding and dining services operations within his zone. A senior vice president supervised the company's recreation services division nationally. The company has since eliminated its zones and the post of zone president. A separate senior vice president now oversees each of the three lines of business. *—R.C.*

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Mark A. Strauss, National Sales Director. **Chicago:** Alana Vondrak, National Sales Coordinator; Candice J. Hammett, Regional Manager; David Weil, Regional Manager; Patricia McGowan, Recruitment/Classified Advertising Manager, Cahners Plaza, 1350 E. Touhy Ave., P.O. Box 5080, Des Plaines, IL 60017-5080. Phone: (708) 635-8800. **Stamford:** William Lazar, Regional Manager, 8 Stamford Forum, P.O. Box 10277, Stamford, CT 06904-2277. Phone: (203) 328-2547. **New York:** Michael Cardello, Regional Manager and National Sales Manager/Beverage Alcohol, 249 W. 17th St., New York, NY, 10011-5301. Phone: (212) 463-6480. **Cleveland:** Jerry Stiegler, Regional Manager, 1621 Euclid Ave., Cleveland, OH 44115-2186. Phone: (216) 696-1800. **Atlanta:** Thomas McElhinny, Regional Manager, Suite 395, 6520 Powers Ferry Rd., Atlanta, GA 30339-2911. Phone: (404) 955-6500. **San Francisco:** John Barkan, Regional Manager, 410 Pacific Ave., San Francisco, CA 94133-4631. Phone (415) 397-0941. **Los Angeles:** Rebecca Roberts, Regional Manager, 18818 Teller Ave., #170, Irvine, CA 92715-1679. Phone: (714) 851-9422. **Japan:** Kaoru Hara, Dynaco International Inc., Suite 1003—Sun-Palace Shinjuku, 8-12-1 Nishishinjuku Shinjuku-ku, Tokyo 160, Japan. Phone: (03) 366-8301.

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